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***CITY OF SAINT CHARLES, MISSOURI***  
***COMPREHENSIVE ANNUAL FINANCIAL REPORT***  
***YEAR ENDED DECEMBER 31, 2013***

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*Report issued by the Finance Department*

Kelly L. Vaughn  
Director of Finance

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## Part I – Introductory Section

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May 23, 2014

Honorable Mayor  
City Council Members; and the Citizens of  
City of Saint Charles, Missouri:

It is my pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Saint Charles, Missouri for the year ended December 31, 2013. It is submitted according to the provisions of Sections 3.14 and 5.3(a) of the City Charter. The City Charter requires an annual audit of all City accounts by an independent certified public accounting firm selected by the City Council. This requirement has been complied with and the independent auditors' report has been included in this report. The independent auditors' report is "unmodified," meaning no significant exceptions in accounting practice or presentation were found. Additionally, as explained in more detail later in this letter, the City was awarded the Certificate of Achievement for Excellence in Financial Reporting for its 2012 Comprehensive Annual Financial Report. This is the twenty-fifth consecutive year our City has received this prestigious award.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Saint Charles' MD&A can be found immediately following the Independent Auditors' report.

*Department of Finance*

**Kelly L. Vaughn**  
**Director of Finance**

City of Saint Charles  
200 North Second Street  
Saint Charles, MO 63301  
636.949.3208

[Kelly.vaughn@stcharlescitymo.gov](mailto:Kelly.vaughn@stcharlescitymo.gov)  
[www.stcharlescitymo.gov](http://www.stcharlescitymo.gov)

The responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the results of operations of the various activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

## **PROFILE OF GOVERNMENT**

The Primary unit of government is the City of Saint Charles and its blended component unit is described as follows:

The City of Saint Charles, Missouri is located in east central Missouri on the Missouri River near its confluence with the Mississippi River, approximately 20 miles west of the City of St. Louis, Missouri. The City of Saint Charles was incorporated as the Town of Saint Charles on November 2, 1809, by the Court of Common Pleas, District of Saint Charles. By an act of the General Assembly on March 10, 1849, it became the City of Saint Charles, Missouri by special charter. The City now operates under a Home Rule Charter effective in 1982 according to the provisions of the Missouri Constitution. As required by GAAP, the City's financial reporting entity includes all activities of The City of Saint Charles, Missouri, and of its blended component unit. The City provides a full range of services. These services include police and fire protection, water, sanitary sewer, ambulance services, construction and maintenance of streets and infrastructure, planning and zoning management, recreational activities, cultural and historic events, and general administrative services. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the City of Saint Charles, Missouri Public Facility Authorities (the PFA), a legally separate not-for-profit corporation, formed to facilitate the acquisition and construction of certain capital improvements solely for the benefit of the City, is blended with the respective funds of the primary government. The City covers approximately 24.6 square miles and serves as the county seat of the County of Saint Charles, Missouri. It is located approximately seven (7) miles from Lambert-St. Louis International Airport, in St. Louis, Missouri. Also, within the central business district near the City's scenic riverfront are North and South Main Street, which are part of a registered historic district.

## **ECONOMIC CONDITION AND OUTLOOK**

The City is an attractive suburban residential community with a diverse economic base represented by a mixture of industrial enterprises, commercial enterprises, support services and an established tourist industry.

Saint Charles population has grown to 65,794 per the 2010 U.S. Census. Property tax assessed values decreased by approximately 3.7% for the 2013 tax year as a result of reassessment. Whereas down from prior year, residential construction remained strong; permits were issued for residential developments of nearly \$51 million.

Pharma Medica Research, a Toronto based phase one clinical testing company, purchased the vacant 400 Fountain Lakes Boulevard building and began operations. The company, which performs medical testing for global pharmaceutical companies like Eli Lilly and Merck, currently operates with 150 employees and anticipates reaching 350 positions within the next year with the construction of a new laboratory to expand their testing capabilities. Pharma Medica Research is the largest clinical testing facility in North America.

Two of the city's most preeminent developments – Streets of St. Charles and University Commons – made significant strides in 2013. Streets saw the opening of another major restaurant chain, Bar Louie, the completion of a 315 high end apartment complex (The Residences), a new parking garage and the announcement of a new 40,000 square foot AMC Movie Theater.

City officials also celebrated the opening of a new 68,000 warehouse/distribution center for Eastern Metal Supply. The company currently employs 45 people and has plans to expand the building by another 45,000 square feet in the next three to five years.

Client Services Incorporated, one of the largest employers in St. Charles County, launched a hiring initiative to add 300 fulltime account representatives and 100+ part-time positions. Founded in 1987, CSI is a locally-owned, multi-faceted call center with clients in the financial services, healthcare, customer care, and utilities industries.

## **MAJOR INITIATIVES**

The City continues to utilize revenues generated by a ½ cent sales tax, which are earmarked for capital improvements, to help meet its on-going capital replacement plan and annual street overlay and reconstruction program.

Gaming revenue was utilized in 2013 for capital projects such as drainage improvements on North 94 at the North Drive culvert, completion of a comprehensive storm water plan as well as various storm water, storm sewer and creek bank stabilization projects. Street projects funded in 2013 include the West Clay Extension, upgrade of traffic signals on Kingshighway, and various other traffic signal upgrades. Some of the more significant capital projects planned in 2014 include construction of Boschertown Road Phase II, 5<sup>th</sup> Street Gateways Project, dumptrucks and various duty work trucks. The City has provided additional funding for annual contributions toward the County Arena project, the Foundry Art Center, and various other street and stormwater projects. Some of the funds continue to be utilized for a portion of the debt service for the bond issue which funded stormwater improvements.

One of the most significant efforts that encompassed the city in 2013 was the reconstruction of the east bound lane of the Interstate-70 Blanchette Bridge. The \$62 million project saw a complete overhaul of the 50 year old structure which carries more traffic than any other road in the State of Missouri. Serving as the primary entrance for commuters and trucks for the City, the project has significant impacts on the economic well being of the city. Through proper planning and strong cooperative efforts, the project was completed ahead of schedule and saw no major negative impacts on the city.

In June of 2012, the City formally approved the West Clay Extension Tax Increment Finance District and Redevelopment Agreement to revitalize a blighted and obsolete parcel of ground across from Lindenwood University. The site, unofficially known as University Commons, will see a \$32 Million investment resulting in a new 140,000 square foot Schnuck's Grocery Store along with a pharmacy, restaurants and a significant number of new commercial/retail establishments. Construction of the Schnuck's store and St. Charles' first ever CVS Pharmacy began in 2013. More tenants will be announced in 2014.

## **FINANCIAL INFORMATION**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The idea of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.



## **Single Audit**

As a recipient of federal, state and county financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations relating to those programs. This internal control structure is subject to periodic evaluation by management of the City. The City is required to undergo an annual single audit performed in conformity with the provisions of the Single Audit Act Amendment of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit, including the schedule of expenditures of federal awards and the independent auditors' reports on compliance and on internal controls over financial reporting and compliance with and internal control requirements applicable to each major program is included in a separately-issued single audit report.

## **Budgetary Controls**

The budget sets forth the proposed level of funding of the City's various operating and public service programs. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the department level in the General fund or at the fund level for all other fund types, as they are not departmentalized. The City maintains an encumbrance accounting system as one method of maintaining budgetary control. Unencumbered amounts lapse at year end.

## **Financial Condition**

The Management Discussion and Analysis (MD&A) provides a great opportunity to describe the operations and financial results of the City in a format more similar to that currently required for private industry. The MD&A serves to summarize the significant changes in balances in the Statement of Net Position over the year and the results of the Statement of Activities on a year-over-year basis. These government-wide statements allow the reader to gain a "big picture" view of the government as a whole, as well as monitor and track certain key balances, such as unrestricted net assets, which can be one indicator of the overall "financial health" of the City. In addition, the Fund Financial Statements, which start on page 15, are designed to address major individual funds by category (governmental, proprietary, fiduciary, or internal service). The activities within these funds are explained in the MD&A (see page 3) as well as the footnotes (see page 24).

## **Retirement System**

The City participates in the Missouri Local Government Employees Retirement System. The plan is non-contributory and covers all full-time City employees. The City funds the entire cost of the plan. Contributions, based on actuarial valuations, were 15.0% of gross salaries for general and public works employees, 13.7% for police officers, and 12.0% for fire personnel.

## **Debt Administration**

Outstanding general obligation bonds at December 31, 2013 totaled \$22,450,000. Additionally, the City had \$48,840,000 of Neighborhood Improvement District Limited General Obligation bonds outstanding at December 31, 2013. Under current State statutes, the City has a legal general obligation debt limit of 10% of the most recent assessed valuation. As of December 31, 2013, the City's net bonded indebtedness of \$71,290,000 was well below the legal limit of \$123,936,217, and general bonded debt per capita was \$905.73.

In March 2013, the City issued \$12.4 million of general obligation bonds to fund the construction of a new Public Works facility and the construction of a new fire station/public safety facility. In September 2013, The City issued \$3.8 million general obligation bonds to make structural repairs to the City Hall parking garage. The City also issued \$3.545 million of limited general obligation bonds to fund the Streets of Saint Charles project.

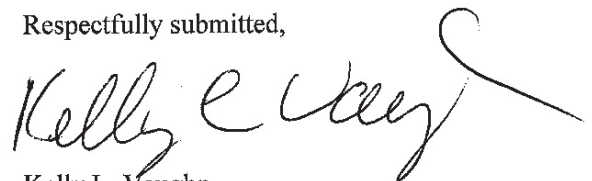
## **AWARDS AND RECOGNITION**

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Saint Charles, Missouri for its Comprehensive Annual Financial Report for the fiscal period ended December 31, 2012. This was the twenty-fifth consecutive year that the City has received this prestigious award since 1988. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR whose contents conform to program standards. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for one year only. I believe that our 2013 CAFR continues to meet the Certificate of Achievement Program's requirements, and we will submit it to the GFOA to decide its eligibility for another certificate.

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the Finance Department for their participation. I would also like to thank the Mayor and her staff, the Director of Administration and his staff and the members of the City Council for their interest and support in planning and conducting the financial operations of the City.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kelly L. Vaughn", with a long, sweeping horizontal line extending to the right.

Kelly L. Vaughn  
Director of Finance

# CITY OF SAINT CHARLES, MISSOURI

## List of City Officials

As of December 31, 2013

### ELECTED OFFICIALS:

<u>TITLE</u>	<u>NAME</u>	<u>IN YEARS</u>	<u>TERM</u> <u>EXPIRES</u>
Mayor	Sally Faith	4	4/15
Councilperson	Mary Ann Ohms	3	4/14
Councilperson	Tom Besselman	3	4/14
Councilperson	Laurie Feldman	3	4/14
Councilperson	Mary West	3	4/14
Councilperson	Michael Weller	3	4/14
Councilperson	Jerry Reese	3	4/16
Councilperson	Dave Beckering	3	4/16
Councilperson	Rod Herrmann	3	4/16
Councilperson	Ron Stivison	3	4/16
Councilperson	Bridget Ohmes	3	4/16
Municipal Court Judge	William Lohmar Jr.	4	4/15

### APPOINTED OFFICIALS:

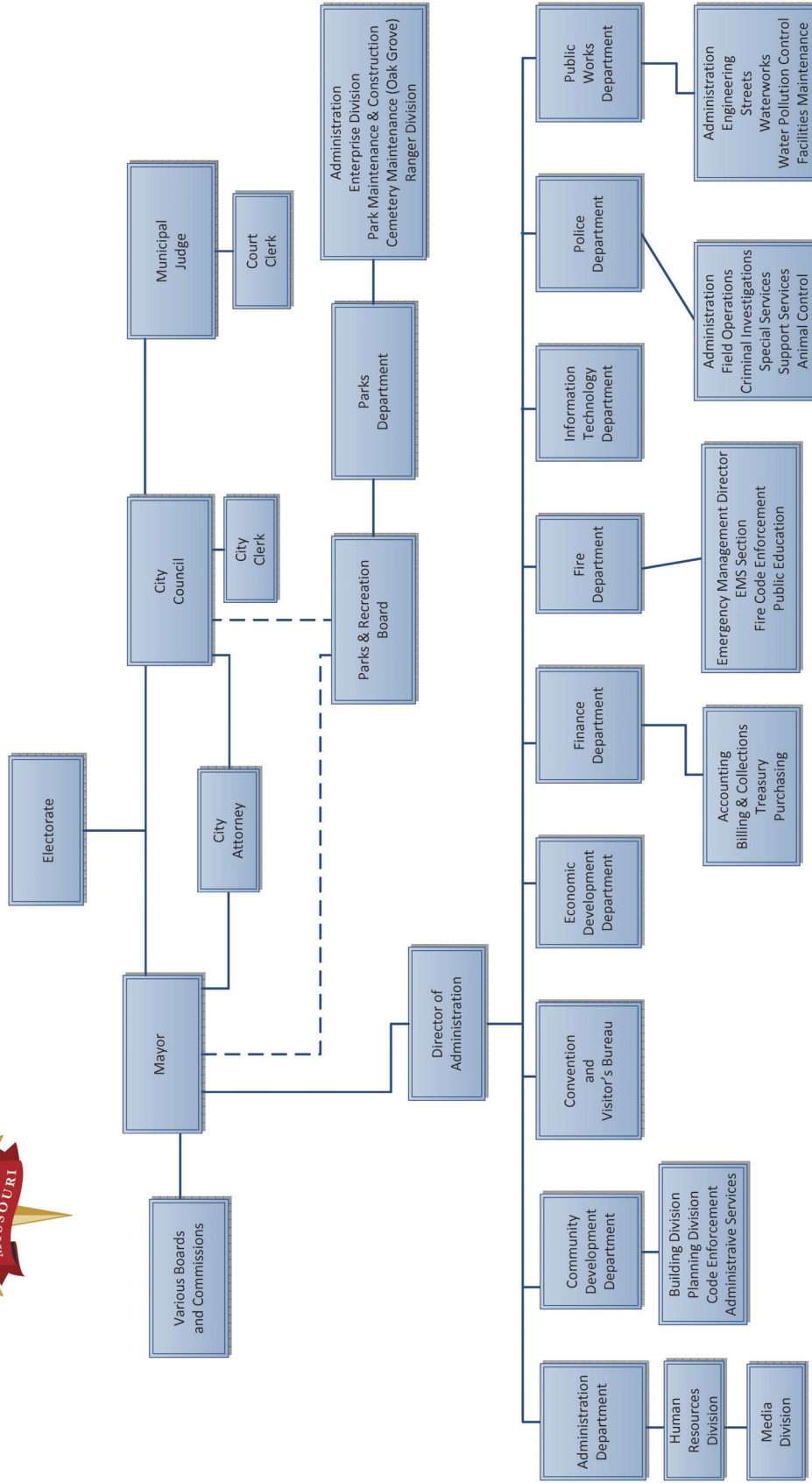
Director of Administration	Michael Spurgeon
City Clerk	Laura Whitehead
Director of Community Development	Bruce Evans
Fire Chief	Rick Daly
Police Chief	Randy McKinley
Director of Public Works	Debbie Aylsworth
Director of Parks	Maralee Britton
Director of Finance	Kelly Vaughn
City Attorney	Michael Valenti
Director of Tourism & Econ Dev	David Leezer
Director of Information Technology	Matthew Seeds

### APPOINTED COMMISSIONS:

President, Public Park Board	T. J. Slattery
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# The City of St. Charles, MO Organizational Chart





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of St. Charles  
Missouri**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

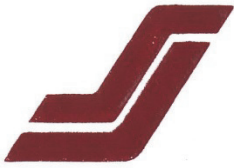
A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is fluid and cursive.

Executive Director/CEO



## Part II – Financial Section

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# **SCHOWALTER & JABOURI, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

11878 GRAVOIS ROAD  
ST. LOUIS, MISSOURI 63127  
(314) 849-4999  
FAX (314) 849-3486

FINANCIAL SERVICES  
COMPUTER SOLUTIONS  
ADMINISTRATIVE OFFICES

11777 GRAVOIS ROAD  
ST. LOUIS, MISSOURI 63127  
(314) 842-2929  
FAX (314) 842-3483

## **Independent Auditors' Report**

The Honorable Mayor and  
Members of the City Council  
City of Saint Charles, Missouri

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Saint Charles, Missouri (the "City"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

#### MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • MISSOURI SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS  
AICPA GOVERNMENTAL AUDIT QUALITY CENTER • AICPA EMPLOYEE BENEFIT PLAN AUDIT QUALITY CENTER

"SCHOWALTER & JABOURI, P.C. IS A MEMBER OF NEXIA INTERNATIONAL, A WORLDWIDE NETWORK OF INDEPENDENT ACCOUNTING AND CONSULTING FIRMS"

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Saint Charles, Missouri, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the budgetary comparison information and related notes on pages 64 through 67, and the schedules of funding progress on pages 68 and 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Saint Charles, Missouri's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules - other supplementary information, individual fund schedules of revenues, expenditures and changes in fund balances – budget to actual schedules - other supplementary information and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2014, on our consideration of the City of Saint Charles, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Saint Charles, Missouri's internal control over financial reporting and compliance.

  
SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri  
May 23, 2014

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## **Management's Discussion and Analysis**

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## **CITY OF SAINT CHARLES, MISSOURI**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2013**

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The City of Saint Charles, Missouri has prepared financial statements in accordance with the guidelines prescribed in GASB Statement 34. This discussion and analysis of the City of Saint Charles' financial performance is meant to provide an objective and easily readable analysis of the City's financial activities based on current facts and conditions. Please read this in conjunction with the accompanying transmittal letter and basic financial statements.

As further described in Note 1, the City adopted GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," for the year ended December 31, 2013. As a result, certain comparative information for the year ended December 31, 2012 has been restated.

#### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City of Saint Charles exceeded its liabilities at the close of the fiscal year by \$267,910,536. Net position is comprised of: \$218,928,308 net investment in capital assets, \$44,628,632 restricted for capital projects, debt service and other purposes; and \$4,353,596 unrestricted net position. Governmental activities unrestricted net position is in a deficit position of \$14,653,531. This deficit is directly related to the effect of the convention center certificates of participation, neighborhood improvement district special assessment debt and the tax increment revenue notes issued by the City.
- The City's total net position decreased approximately \$3.9 million. Net position of business-type activities increased by \$4.7 million; net position of governmental activities decreased by \$8.6 million (3.9%) to \$207 million.
- The \$14.7 million deficit in governmental unrestricted net position is impacted by \$16.2 million in TIF-related debt and \$24 million of Convention Center debt, which is not fully offset on the statements by any governmental activities- related capital assets.
- Business-type operations reflected an operating gain of \$6.0 million.
- At December 31, 2013, the City of Saint Charles' governmental funds reported a combined ending fund balance of \$76.1 million, an increase of \$3.2 million from 2012. The increase is attributable to a net increase of \$14.0 million in General Obligation Capital Projects fund and an increase of \$1.8 million in the Neighborhood Improvement District Debt Service fund, offset by a decrease of \$11.5 million in the Neighborhood Improvement District Construction fund and a decrease of \$1.2 million in non-major funds.
- In March 2013, the City issued \$12.4 million of general obligation bonds to fund a new public works facility and fire station. The City also issued \$3.8 million of general obligation bonds to fund major repairs to the City Hall garage.
- In October 2013, the City issued \$3.5 million of limited general obligation bonds to fund the Streets of St. Charles at Noah's Ark project.

## **CITY OF SAINT CHARLES, MISSOURI**

### *Management's Discussion and Analysis (continued)*

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- In February 2013 the City issues \$8.5 million of refunding limited general obligation bonds to refund \$8.0 million of the outstanding principal of the Series 2004, 2005A and 2005B limited general obligation bonds.
- Overall capital assets increased \$15.3 million. Capital assets used in governmental activities increased \$4.8 million, and capital assets used in business-type activities increased by \$10.5 million.

### **USING THIS ANNUAL FINANCIAL REPORT**

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City of Saint Charles' financial situation as a whole, and also give a detailed view of the City's fiscal condition.

The Statement of Net Position and Statement of Activities provide information about the activities of the City as a whole, and present a longer-term view of the City's finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term, as well as the amount of funds available for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

### **REPORTING THE CITY AS A WHOLE**

The Government-Wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. The statements present governmental activities and business-type activities separately. These statements include certain infrastructure as well as all known liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement in regards to inter-fund activity, payables and receivables.

The Statements of Net Position and Activities report the City's *net position* and the resulting changes. Net position is the difference between assets, deferred outflows of resources and liabilities, which is one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position are one indicator of whether its financial health is improving or deteriorating. In evaluating the overall *financial health*, the reader of these financial statements needs to take into account non-financial factors that also impact the City's financial well being. Some of these factors include the City's tax base and the condition of capital assets.

In the Statement of Net Position and the Statement of Activities, the City is divided into two kinds of activities:

- Governmental Activities – Most of the City's services are reported here including police, fire, public works, recreation, administrative, judicial, and legislative and executive.
- Business-Type Activities – These services include sewer, water and parking. Service fees for these operations are charged based upon the amount of usage or a usage fee. The intent is that the fees charged recoup operational costs.

## **CITY OF SAINT CHARLES, MISSOURI**

### *Management's Discussion and Analysis (continued)*

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## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

### ***Fund Financial Statements***

The analysis of the City's major funds begins on page 15. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Director of Finance, with approval of City Council, to help control, manage and report money received for a particular purpose or to show the City is meeting legal responsibilities for use of grants. The City of Saint Charles' major funds are General, General Obligation Capital Projects, Neighborhood Improvement District Capital Projects, Neighborhood Improvement District Debt Service, Sanitary Sewer, and Water Works.

### ***Governmental Funds***

Most of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

### ***Proprietary Funds***

When the City charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. Internal service funds are used to report activities that provide services to the City's other funds and departments.

### ***Fiduciary Funds***

The City has fiduciary responsibilities for resources held for the benefit of parties outside the government. These assets are restricted in purpose and are not available to support the City's own programs. Therefore, these assets are not presented as a part of the government-wide financial statements.

### ***Notes to the Basic Financial Statements***

The notes provide additional information essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Financial Statements starts on page 24 of this report.

## CITY OF SAINT CHARLES, MISSOURI

### *Management's Discussion and Analysis (continued)*

#### **Other Information**

In addition to the basic financial statements and accompanying notes, this report includes certain *required supplementary information* concerning budgetary comparison schedules for the general fund and each major fund. Required supplementary information can be found on pages 64-69 of this report.

The combining and individual statements for non-major and other governmental funds are presented immediately following the required supplemental information.

#### **THE CITY AS A WHOLE**

As stated previously, the Statement of Net Position looks at the City as a whole. The following table provides a condensed statement of net position as of December 31, 2013 and 2012:

**Table 1: Net Position  
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012 (Restated)	2013	2012 (Restated)	2013	2012 (Restated)
<u>Assets</u>						
Current and Other Assets	\$ 134,811	\$ 134,282	\$ 37,268	\$ 48,295	\$ 172,079	\$ 182,577
Capital Assets, Net	214,051	209,210	143,944	133,483	357,995	342,693
Investment in Joint Venture	-	-	3,829	3,970	3,829	3,970
Total Assets	<u>348,862</u>	<u>343,492</u>	<u>185,041</u>	<u>185,748</u>	<u>533,903</u>	<u>529,240</u>
<u>Deferred Outflows of Resources</u>						
Deferred Charges on Refunding	<u>2,799</u>	<u>2,667</u>	<u>185</u>	<u>234</u>	<u>2,983</u>	<u>2,901</u>
<u>Liabilities</u>						
Current and Other Liabilities	16,355	17,871	4,073	7,040	20,428	24,911
Long-Term Liabilities:						
Due within One Year	8,439	6,897	2,870	2,882	11,309	9,779
Due in More Than One Year	119,483	105,378	117,757	120,226	237,240	225,604
Total Liabilities	<u>144,277</u>	<u>130,146</u>	<u>124,700</u>	<u>130,148</u>	<u>268,977</u>	<u>260,294</u>
<u>Net Position</u>						
Net Investment in Capital Assets	177,409	184,503	41,519	37,291	218,928	221,794
Restricted:						
Capital Projects	2,355	4,254	-	-	2,355	4,254
Debt Service	27,878	31,327	-	231	27,878	31,558
Other Purposes	14,395	15,341	-	-	14,395	15,341
Unrestricted	(14,653)	(19,412)	19,007	18,312	4,354	(1,100)
Total Net Position	<u>\$ 207,384</u>	<u>\$ 216,013</u>	<u>\$ 60,526</u>	<u>\$ 55,834</u>	<u>\$ 267,910</u>	<u>\$ 271,847</u>

By far, the largest portion of the City's net position (82%) reflects its investment in capital assets (e.g.: land, infrastructure, buildings, and equipment), less any related debt used to acquire those assets still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total net position of the City as a whole decreased \$3.9 million during the current fiscal year. Governmental activities decreased \$8.6 million, while Business-type activities increased \$4.7 million.

## CITY OF SAINT CHARLES, MISSOURI

### *Management's Discussion and Analysis (continued)*

Long-term liabilities for governmental activities increased \$18.4 million in 2013. The increase primarily results from issuance of new debt as discussed in Note 7 – Long Term Liabilities.

The net position of the City's business type activities increased by \$4.7 million. Business-type activities reflect an operating gain of \$6.0 million. The City strives to control operating expenses for business-type activities in order to maintain stability in charges for services rates.

Table 2 shows the changes in net position for the year ended December 31, 2013 and 2012.

**Table 2: Changes in Net Position  
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012 (Restated)	2013	2012 (Restated)	2013	2012 (Restated)
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 6,281	\$ 6,653	\$ 19,120	\$ 17,800	\$ 25,401	\$ 24,453
Operating Grants and Contributions	7,860	7,301	-	-	7,860	7,301
Capital Grants and Contributions	8,060	23,133	3,071	658	11,131	23,791
Total Program Revenues	22,201	37,087	22,191	18,458	44,392	55,545
General Revenues:						
Property Taxes	11,845	11,713	-	-	11,845	11,713
Sales Taxes	15,519	15,360	-	-	15,519	15,360
Gaming Taxes	12,310	13,156	-	-	12,310	13,156
Utility Taxes	8,347	8,096	-	-	8,347	8,096
Tourism & Hotel Taxes	2,694	2,615	-	-	2,694	2,615
TIF Revenues	5,629	5,930	-	-	5,629	5,930
Other Taxes	1,924	1,718	-	-	1,924	1,718
Other	458	590	2,067	1,928	2,525	2,518
Total General Revenues	58,726	59,178	2,067	1,928	60,793	61,106
Total Revenues	80,927	96,265	24,258	20,386	105,185	116,651
<b>Expenses:</b>						
General Government	16,623	15,414	-	-	16,623	15,414
Public Works/ Public Improvements	31,208	24,092	-	-	31,208	24,092
Public Parks	5,007	4,254	-	-	5,007	4,254
Public Safety	31,543	31,453	-	-	31,543	31,453
Public Services	264	46	-	-	264	46
Convention Center	1,201	2,374	-	-	1,201	2,374
Interest and Fiscal Charges	4,324	3,956	-	-	4,324	3,956
Waterworks	-	-	7,219	6,323	7,219	6,323
Sanitary Sewer	-	-	11,333	9,213	11,333	9,213
Parking Facilities	-	-	400	400	400	400
Total Expenses	90,170	81,589	18,952	15,936	109,122	97,525
Increase in Net						
Position before Transfers	(9,243)	14,676	5,306	4,450	(3,937)	19,126
Transfers	614	520	(614)	(520)	-	-
Increase/(Decrease) in Net Position	(8,629)	15,196	4,692	3,930	(3,937)	19,126
<b>Net Position:</b>						
Net position, beginning	216,013	201,353	55,834	52,847	271,847	254,200
Prior period adjustment	-	(536)	-	(943)	-	(1,479)
Net position, beginning, as restated	-	200,817	-	51,904	-	252,721
Net position, ending	\$ 207,384	\$ 216,013	\$ 60,526	\$ 55,834	\$ 267,910	\$ 271,847

## **CITY OF SAINT CHARLES, MISSOURI**

### *Management's Discussion and Analysis (continued)*

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#### ***Governmental Activities***

Total revenue decreased \$15.3 million or 15.9%. Program revenue decreased by \$14.9 million or 40.1% due to a decrease in capital grants. General revenues decreased \$.4 million or .7% due to a decline in gaming taxes and TIF revenues. Total governmental activities expenses increased \$8.6 million or 10.5% due to public works/public improvements and public services expenses.

#### ***Business-Type Activities***

The City's business-type activities include Water, Sewer and Parking.

Water – Charges for services increased \$.14 million or 1.8% from 2012. Rates were raised January 1, 2013. Expenses increased \$.9 million or 14.2% primarily resulting from an increase in materials and supplies in 2013.

Sewer – Charges for services increased \$1.2 million or 12.4% from 2012. Rates were raised January 1, 2013. Expenses increased \$2.1 million or 23%, primarily reflecting an increase in interest expense and contracted services expense. The interest expense was partially offset by an interest subsidy received from the federal government for the Build America Bonds issued in 2010.

#### **THE CITY'S FUNDS**

Information about the City's governmental funds begins on page 15. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of \$82.4 million and expenditures of \$101.2 million.

The General fund is the chief operating fund of the City of Saint Charles. As of December 31, 2013, the General fund unassigned fund balance was \$11.1 million. The General fund total fund balance increased \$.1 million from 2012. Revenues, proceeds from the sale of assets and transfers in exceeded expenses for the year. Overall, revenues increased \$.2 million. Tax revenue was up \$.4 million mainly as a result of the increase of utility gross receipts and cigarette tax. Expenditures decreased \$.8 million in 2013 primarily as a result of a decrease in capital outlay expenditures.

The General Obligation Capital Projects fund has an ending fund balance as of December 31, 2013 of \$14.0 million. The issuance of bond proceeds and the new spending for capital outlay account for this ending fund balance.

The Neighborhood Improvement District Capital Projects Fund has an \$11.5 million decrease in fund balance mainly due to the spending of bond proceeds received in previous years.

The Neighborhood Improvement District Debt Service Fund has a \$1.8 million increase in fund balance mainly due to the refunding of bonds for the New Town phases and increases in special assessment collections. Special assessments were sufficient to cover special assessment debt service requirements in 2013.

Non-major governmental funds have a net fund balance decrease of \$1.2 million. The fund balance within the Street Construction fund increased by \$2.0 million as a result of gaming tax allocations. The Major Facilities fund decreased by \$1.3 million which was a combination of capital expenditures and principal retirement of debt. The Park fund decreased \$1.2 million due to increase in capital expenditures.



## **CITY OF SAINT CHARLES, MISSOURI**

### *Management's Discussion and Analysis (continued)*

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Sanitary Sewer fund reflected net income before capital contributions of \$524,515; Waterworks net income of \$1.3 million and parking funds reflected a net loss of \$243,696. Fees have historically been set to cover cash flow needs.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The City's budget is adopted on a fund basis, which can be found in the Required Supplementary Information. Revenue results were \$404,284 under revised budget projections. Actual expenditures were \$1.1 million below budget, primarily reflecting various open contracts and capital projects that will be completed in 2014.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### ***Capital Assets***

The amount invested in capital assets for the City at December 31, 2013, is \$358 million, net of accumulated depreciation. This amount includes all infrastructure assets. The following table breaks down the City's capital asset balance into the various categories of assets.

**Table 3: Capital Assets  
(Net of depreciation)  
(In Thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$ 30,188	\$ 30,188	\$ 618	\$ 618	\$ 30,806	\$ 30,806
Land Improvements	6,864	4,884	-	-	6,864	4,884
Structures and Improvements	25,966	25,622	76,805	66,964	102,771	92,586
Furniture, Fixtures and Equipment	14,317	11,249	3,318	3,522	17,635	14,771
Infrastructure	120,749	97,592	-	-	120,749	97,592
Construction in Progress	15,967	39,675	63,203	62,379	79,170	102,054
Totals	<u>\$ 214,051</u>	<u>\$ 209,210</u>	<u>\$143,944</u>	<u>\$133,483</u>	<u>\$ 357,995</u>	<u>\$ 342,693</u>

Major capital asset transactions during the year include the following additions and disposals:

#### **Governmental Activities:**

Land Improvements increased \$1.9 million. Projects completed include various park trails. Infrastructure increased by \$23.1 million. Projects completed during the year include 5<sup>th</sup> Street/Riverbluffs, Boschertown Road, New Town Boulevard and Fairgrounds Road. Projects accepted include Talbridge Village and Pearl Ridge subdivision storm mains.

Construction-in-progress at December 31, 2013 of \$15.9 million consists primarily of street, stormwater and parks projects.

#### **Business-Type Activities:**

Waterworks infrastructure increased \$6.4 million due to completion of Elm Point Water Plant Upgrade and South Main Street Repairs.

## **CITY OF SAINT CHARLES, MISSOURI**

### *Management's Discussion and Analysis (continued)*

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Sanitary Sewer infrastructure increased \$6.3 million due to completion of a sewer main at Boschertown Lagoon and Sandfort Creek Study. Construction-in-progress increased \$5.3 million and includes the Adams Lift Station upgrade and Boschert Creek Sanitary Sewer Replacement.

Additional information on the City's capital assets can be found in Note 4 to the Basic Financial Statements.

### ***Debt***

At December 31, 2013, the City of Saint Charles had \$241.2 million in outstanding debt. Of this, \$22.5 million in debt is backed by the full faith and credit of the City.

**Table 4:  
Outstanding Debt at Year End  
(in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Certificates of Participation	\$ 28,249	\$ 30,752	\$ 123,281	\$ 126,033	\$ 151,530	\$ 156,785
General Obligation Bonds	22,450	7,425	-	-	22,450	7,425
Neighborhood Improvement District Bonds	48,840	46,030	-	-	48,840	46,030
Tax Increment Revenue Notes	16,221	18,538	-	-	16,221	18,538
Capital Leases	2,110	1,161	-	-	2,110	1,161
Totals	<u>\$ 117,870</u>	<u>\$ 103,906</u>	<u>\$ 123,281</u>	<u>\$ 126,033</u>	<u>\$ 241,151</u>	<u>\$ 229,939</u>

Additional information on the City's debt can be found in Note 7 to the Basic Financial Statements.

### ***Economic Outlook***

The City of Saint Charles has been somewhat buffered from the economic woes of the rest of the State and Nation. City revenues steadily increase while Administration plans decreases in City expenditures. Population growth continues in the City and St. Charles County. Other economic factors are as follows:

- The unemployment rate was 5.7% for December 2013, which is a small improvement from 5.9% for December 2012.
- 2013 saw a decrease in residential permits, a decline from 2012.

Assessed valuation decreased by approximately 3.7% for the 2013 tax year. The state of Missouri allows taxing entities to adjust their tax rates to obtain the same amount of property tax revenue that they received in the past assessment year. The City Council voted to increase the tax rate for 2013 in order to maintain the same level of revenue for the General, Parks, and Debt Service funds. Assessed valuation is expected to increase slightly due to new construction.

Planned rate increases for Waterworks and Sanitary Sewer went into effect on January 1, 2013. Rate increases for 2010-2015 were approved in 2010 to finance the \$73 million of improvements to the water and sewer infrastructure.

## **CITY OF SAINT CHARLES, MISSOURI**

### *Management's Discussion and Analysis (continued)*

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#### **CONTACTING THE CITY'S FINANCE DEPARTMENT**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Kelly L. Vaughn, Director of Finance, City of Saint Charles, 200 N. Second Street, St. Charles, Missouri, 63301.

**CITY OF SAINT CHARLES, MISSOURI**

**STATEMENT OF NET POSITION  
DECEMBER 31, 2013**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled cash and investments	\$ 48,367,334	\$ 13,700,767	\$ 62,068,101
Receivables (net):			
Taxes	12,661,471	-	12,661,471
Intergovernmental	3,697,471	-	3,697,471
Services	159,567	3,606,444	3,766,011
Interest	112,111	-	112,111
Other	2,378,747	42,506	2,421,253
Inventories	-	312,725	312,725
Restricted assets:			
Pooled cash and investments	18,955,222	597,516	19,552,738
Held by Trustee	4,761,336	18,378,541	23,139,877
Special assessment receivable	40,940,171	-	40,940,171
Long-term receivables	2,777,324	629,554	3,406,878
Investment in joint venture	-	3,829,178	3,829,178
Capital assets:			
Nondepreciable	46,154,463	63,820,975	109,975,438
Depreciable	167,896,873	80,123,025	248,019,898
Total Assets	<u>348,862,090</u>	<u>185,041,231</u>	<u>533,903,321</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	<u>2,798,557</u>	<u>184,694</u>	<u>2,983,251</u>
Liabilities:			
Accounts payable	4,679,268	889,263	5,568,531
Accrued payroll	1,484,092	82,881	1,566,973
Accrued interest payable	8,297,331	2,377,793	10,675,124
Other liabilities	64,086	119,490	183,576
Unearned revenue	19,821	-	19,821
Deposits and escrow funds	-	603,326	603,326
Claims payable	1,810,000	-	1,810,000
Long-Term Liabilities:			
Due within one year	8,438,836	2,869,849	11,308,685
Due in more than one year	119,482,989	117,757,011	237,240,000
Total Liabilities	<u>144,276,423</u>	<u>124,699,613</u>	<u>268,976,036</u>
Net Position:			
Net investment in capital assets	177,409,123	41,519,185	218,928,308
Restricted for:			
Street maintenance and improvement	3,121,147	-	3,121,147
Community development	2,992,984	-	2,992,984
Debt service - general obligation	3,622,953	-	3,622,953
Debt service - special assessment	23,117,174	-	23,117,174
Debt service - certificates of participation	1,138,094	-	1,138,094
Sewer lateral projects	1,620,123	-	1,620,123
Parks	3,391,219	-	3,391,219
Capital projects	2,354,503	-	2,354,503
Cemetery:			
Expendable	341,699	-	341,699
Non-expendable	233,912	-	233,912
Tourism	2,177,653	-	2,177,653
Special business district	203,907	-	203,907
DAG forfeiture	200,684	-	200,684
DWI recoupment	112,580	-	112,580
Unrestricted	(14,653,531)	19,007,127	4,353,596
Total Net Position	<u>\$ 207,384,224</u>	<u>\$ 60,526,312</u>	<u>\$ 267,910,536</u>

**CITY OF SAINT CHARLES, MISSOURI**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

Functions	Expenses	Program Revenues		Capital Grants and Contributions		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions			Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
General government	\$ 16,622,958	\$ 1,151,472	\$ 553,722	\$ -	\$ -	\$ (14,917,764)	\$ -	\$ (14,917,764)
Public works/public improvements	31,207,775	618,711	3,742,293	7,632,134	-	(19,214,637)	-	(19,214,637)
Public parks	5,007,220	2,031,473	-	361,826	-	(2,613,921)	-	(2,613,921)
Public safety	31,542,620	2,479,109	53,431	65,648	-	(28,944,432)	-	(28,944,432)
Public services	264,158	-	-	-	-	(264,158)	-	(264,158)
Convention Center	1,200,723	-	3,510,342	-	-	2,309,619	-	2,309,619
Interest and issue costs on long-term debt	4,324,334	-	-	-	-	(4,324,334)	-	(4,324,334)
Total Governmental Activities	90,169,788	6,280,765	7,859,788	8,059,608	-	(67,969,627)	-	(67,969,627)
Business-Type Activities:								
Waterworks	7,217,809	8,221,611	-	232,339	-	-	1,236,141	1,236,141
Sanitary sewer	11,333,119	10,741,851	-	2,838,095	-	-	2,246,827	2,246,827
Parking facilities	400,769	156,760	-	-	-	-	(244,009)	(244,009)
Total Business-Type Activities	18,951,697	19,120,222	-	3,070,434	-	-	3,238,959	3,238,959
Total Primary Government	\$ 109,121,485	\$ 25,400,987	\$ 7,859,788	\$ 11,130,042	\$ -	(67,969,627)	3,238,959	(64,730,668)
General Revenues:								
Property taxes levied for:								
General purposes						6,849,854	-	6,849,854
Parks						2,945,983	-	2,945,983
Debt service						2,049,073	-	2,049,073
Sales tax levied for:								
General purposes						10,493,257	-	10,493,257
Capital improvement						5,026,135	-	5,026,135
Gaming taxes						12,310,262	-	12,310,262
Utility taxes						8,347,125	-	8,347,125
Tourism and hotel taxes						2,693,935	-	2,693,935
TIF revenues						5,629,536	-	5,629,536
Other taxes						1,924,161	-	1,924,161
Earnings on investments						164,159	15,885	180,044
Other revenues						294,044	2,051,501	2,345,545
Transfers						613,810	(613,810)	-
Total General Revenues and Transfers						59,341,334	1,453,576	60,794,910
Change in Net Position						(8,628,293)	4,692,535	(3,935,758)
Net Position, Beginning of Year, Restated						216,012,517	55,833,777	271,846,294
Net Position, End of Year						\$ 207,384,224	\$ 60,526,312	\$ 267,910,536

See accompanying notes to basic financial statements

**CITY OF SAINT CHARLES, MISSOURI**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2013**

	Major Funds				Nonmajor Funds	
	General	General Obligation Capital Projects	Neighborhood Improvement District Capital Projects	Neighborhood Improvement District Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>						
Cash and investments:						
Held by trustees	\$ -	\$ -	\$ -	\$ -	\$ 4,761,336	\$ 4,761,336
Restricted	313,264	14,826,512	-	3,239,835	575,611	18,955,222
Unrestricted	5,937,625	-	3,415,285	4,271,371	26,904,298	40,528,579
Receivables, net of allowances where applicable:						
Taxes	6,756,238	-	-	-	5,905,233	12,661,471
Notes	-	-	-	-	2,777,324	2,777,324
Grants	123,747	-	-	-	3,573,724	3,697,471
Services	159,567	-	-	-	-	159,567
Interest	112,060	-	-	-	51	112,111
Special assessment	-	-	-	40,940,171	-	40,940,171
Other	88,805	-	-	-	2,288,776	2,377,581
Due from other funds	2,833,965	-	-	-	-	2,833,965
Total Assets	<u>\$ 16,325,271</u>	<u>\$ 14,826,512</u>	<u>\$ 3,415,285</u>	<u>\$ 48,451,377</u>	<u>\$ 46,786,353</u>	<u>\$ 129,804,798</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances:</b>						
Liabilities:						
Accounts payable	\$ 293,673	\$ 798,557	\$ 121,402	\$ -	\$ 3,444,964	\$ 4,658,596
Accrued payroll	1,274,060	-	-	-	210,032	1,484,092
Unearned revenue	-	-	1,903	-	17,918	19,821
Due to other funds	-	-	-	-	2,833,965	2,833,965
Other liabilities	64,086	-	-	-	-	64,086
Total Liabilities	<u>1,631,819</u>	<u>798,557</u>	<u>123,305</u>	<u>-</u>	<u>6,506,879</u>	<u>9,060,560</u>
Deferred Inflows of Resources:						
Unavailable revenues - property taxes	2,361,916	-	-	-	1,783,678	4,145,594
Unavailable revenues - special assessments	-	-	-	40,478,684	-	40,478,684
	<u>2,361,916</u>	<u>-</u>	<u>-</u>	<u>40,478,684</u>	<u>1,783,678</u>	<u>44,624,278</u>
<b>Fund Balances:</b>						
Nonspendable	-	-	-	-	233,912	233,912
Restricted for:						
Street maintenance and improvement	-	-	-	-	3,121,147	3,121,147
Community development	-	-	-	-	2,992,984	2,992,984
TIF projects and debt obligations	-	-	-	-	1,336,019	1,336,019
Debt service	-	-	-	7,972,693	8,528,057	16,500,750
Sewer lateral projects	-	-	-	-	1,620,123	1,620,123
Parks	-	-	-	-	2,338,696	2,338,696
Capital projects	-	14,027,955	3,291,980	-	2,388,541	19,708,476
Cemetery	-	-	-	-	341,699	341,699
Tourism	-	-	-	-	2,177,653	2,177,653
Special business district	-	-	-	-	203,907	203,907
DAG forfeiture	200,684	-	-	-	-	200,684
DWI recoupment	112,580	-	-	-	-	112,580
Assigned for:						
Encumbrances	95,462	-	-	-	-	95,462
Capital projects	-	-	-	-	13,213,058	13,213,058
Redevelopment	835,746	-	-	-	-	835,746
Beautification	32,852	-	-	-	-	32,852
Unassigned	11,054,212	-	-	-	-	11,054,212
Total Fund Balances	<u>12,331,536</u>	<u>14,027,955</u>	<u>3,291,980</u>	<u>7,972,693</u>	<u>38,495,796</u>	<u>76,119,960</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 16,325,271</u>	<u>\$ 14,826,512</u>	<u>\$ 3,415,285</u>	<u>\$ 48,451,377</u>	<u>\$ 46,786,353</u>	<u>\$ 129,804,798</u>

**CITY OF SAINT CHARLES, MISSOURI**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2013**

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Amounts reported for governmental activities in the statement of net position are different because:

<b>Total Fund Balance - Governmental Funds</b>	\$ 76,119,960
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds. The cost of the assets is \$345,832,409 and the accumulated depreciation is \$131,781,073.	214,051,336
Property taxes assessed by the City, but not collected as of year end, are deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide statements.	4,145,594
Special assessments levied by the City, but not collected as of year end, are deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide statements.	40,478,684
The internal service fund is used by management to charge the costs of insurance to the individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	6,009,249
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as liabilities within the fund financial statements. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported on the government-wide statement of net position. Discounts, premiums and deferred amounts on refunding are reported in the governmental fund financial statements when the debt was issued whereas these amounts are deferred and amortized over the life of the debt as an adjustment to interest expense on the government-wide financial statements.	
Balances as of December 31, 2013 are:	
Accrued compensated absences	(4,184,641)
Other post employment benefit obligation	(3,010,552)
LAGERS net pension obligation	(1,909,583)
Accrued interest on outstanding debt	(8,297,331)
Bonds, notes payable and capital leases	(117,869,214)
Unamortized bond (premium) discount	(947,835)
Unamortized deferred refunding	2,798,557
	<u>(133,420,599)</u>
<b>Total Net Position - Governmental Activities</b>	<u>\$ 207,384,224</u>

**CITY OF SAINT CHARLES, MISSOURI**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Major Funds				Nonmajor Funds	
	General	General Obligation Capital Projects	Neighborhood Improvement District Capital Projects	Neighborhood Improvement District Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes, including interest and penalties	\$ 32,792,465	\$ -	\$ -	\$ -	\$ 28,080,303	\$ 60,872,768
Special assessment	-	-	-	3,712,448	-	3,712,448
Federal, state and county grants	171,924	-	-	-	5,411,815	5,583,739
Intergovernmental revenue from St. Charles						
County Convention and Sports Authority	-	-	-	-	3,510,342	3,510,342
Licenses, permits, fines and fees	3,622,420	-	-	-	2,402,929	6,025,349
Interest on investments	100,469	8,673	11,501	10,056	33,461	164,160
Other	554,352	-	23,097	80	1,951,723	2,529,252
Total Revenues	37,241,630	8,673	34,598	3,722,584	41,390,573	82,398,058
Expenditures:						
Current:						
General government	7,783,147	-	23,097	-	6,001,392	13,807,636
Public works/public improvements	781,901	-	-	-	5,437,395	6,219,296
Public parks	-	-	-	-	3,622,525	3,622,525
Public safety	29,129,034	-	-	-	-	29,129,034
Public services	-	-	-	-	264,158	264,158
Convention Center	-	-	-	-	566,333	566,333
Capital outlay	311,050	2,544,657	14,551,228	-	18,034,702	35,441,637
Debt Service:						
Principal retirement	-	-	-	1,180,000	6,114,486	7,294,486
Interest and fiscal charges	-	-	-	1,106,770	3,352,598	4,459,368
Bond issue costs	-	102,912	-	252,741	79,724	435,377
Total Expenditures	38,005,132	2,647,569	14,574,325	2,539,511	43,473,313	101,239,850
Revenues (Under) Over Expenditures	(763,502)	(2,638,896)	(14,539,727)	1,183,073	(2,082,740)	(18,841,792)
Other Financing Sources (Uses):						
Transfers in	840,327	-	-	102,249	1,851,361	2,793,937
Transfers out	-	-	(102,249)	-	(2,077,878)	(2,180,127)
Issuance of debt	-	16,200,000	3,150,000	8,920,000	-	28,270,000
Payment to refunding escrow agent	-	-	-	(8,416,730)	-	(8,416,730)
Premium on debt issuance	-	466,851	-	46,331	-	513,182
Discount on debt issuance	-	-	-	(24,881)	-	(24,881)
Inception of capital lease	-	-	-	-	1,068,113	1,068,113
Proceeds from sale of capital assets	35,093	-	-	-	14,517	49,610
Total Other Financing Sources (Uses)	875,420	16,666,851	3,047,751	626,969	856,113	22,073,104
Net Changes in Fund Balances	111,918	14,027,955	(11,491,976)	1,810,042	(1,226,627)	3,231,312
Fund Balances:						
Beginning of Year	12,219,618	-	14,783,956	6,162,651	39,722,423	72,888,648
End of Year	\$ 12,331,536	\$ 14,027,955	\$ 3,291,980	\$ 7,972,693	\$ 38,495,796	\$ 76,119,960



**CITY OF SAINT CHARLES, MISSOURI**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

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Amounts reported for governmental activities in the statement of activities are different because:

<b>Net change in fund balances - total governmental funds</b>		\$ 3,231,312
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for general, and \$250,000 for infrastructure are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense.		
Donated assets are not recorded in the government funds but are recognized as revenue in the statement of activities:		
Capital asset purchases	4,068,995	
Additions to construction in progress	12,879,966	
Donated capital assets	407,474	
Depreciation expense	<u>(11,886,801)</u>	5,469,634
In the statement of activities, the gain or loss on the disposition of capital assets is reported.		
The fund financial statements recognize only the proceeds from the sale of those assets.		(627,978)
The internal service fund used by management to charge the cost of insurance to individual funds is reported in the government-wide statement of activities.		
		(109,873)
The governmental funds report debt proceeds and inception of capital leases as an other financing source, while repayment of principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements but reduces the long-term liabilities in the statement of net assets.		
Issuance of debt	(28,270,000)	
Inception of capital lease	(1,068,113)	
Principal payments to escrow agent	8,080,000	
Repayment of principal	<u>7,294,486</u>	(13,963,627)
Under the modified accrual basis of accounting used in governmental funds the effect of discounts and premiums when debt is first issued is reported in the operating statement, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
The net effect of these differences is as follows:		
Compensated absences	(261,516)	
Other post employment benefit obligation	(685,977)	
LAGERS net pension obligation	(221,261)	
Accrued interest on outstanding debt	802,815	
(Premiums) discounts on debt issuance, net of amortization	(515,119)	
Deferred amount on refunding, net of amortization	<u>131,144</u>	(749,914)
Special assessments levied by the City, not due until future years are reported as deferred inflows in the governmental funds. In the statement of activities, the special assessments were recognized as revenues in the year they were levied. Deferred special assessment revenues decreased this year.		
		(2,585,000)
Property tax revenues levied by the City but not collected within 60 days of year end are reported as deferred inflows of resources in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues increased this year.		
		<u>707,153</u>
<b>Change in net position of governmental activities</b>		<u><u>\$ (8,628,293)</u></u>

**CITY OF SAINT CHARLES, MISSOURI**

**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS  
DECEMBER 31, 2013**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Enterprise Funds		Nonmajor Enterprise Fund	Total Enterprise Funds	
	Waterworks	Sanitary Sewer	Parking Facilities		
<b>Assets:</b>					
Current Assets:					
Cash and cash investments:					
Held by trustees	\$ 955,594	\$ 17,422,947	\$ -	\$ 18,378,541	\$ -
Customer deposits	597,516	-	-	597,516	-
Unrestricted	7,570,596	5,878,638	251,533	13,700,767	7,838,755
Receivables, net of allowances:					
Services	1,502,198	2,104,246	-	3,606,444	-
Other	47,440	-	(4,934)	42,506	1,166
Inventory, at cost	312,725	-	-	312,725	-
Total Current Assets	<u>10,986,069</u>	<u>25,405,831</u>	<u>246,599</u>	<u>36,638,499</u>	<u>7,839,921</u>
Noncurrent Assets:					
Loans receivable	-	629,554	-	629,554	-
Investment in joint venture	<u>3,829,178</u>	<u>-</u>	<u>-</u>	<u>3,829,178</u>	<u>-</u>
Land, other assets and construction in progress, nondepreciable	5,398,784	58,245,191	177,000	63,820,975	-
Other capital assets	43,971,565	85,024,001	7,037,085	136,032,651	-
Less: Accumulated depreciation	<u>(14,808,828)</u>	<u>(35,222,124)</u>	<u>(5,878,674)</u>	<u>(55,909,626)</u>	<u>-</u>
Capital assets, net	<u>34,561,521</u>	<u>108,047,068</u>	<u>1,335,411</u>	<u>143,944,000</u>	<u>-</u>
Total noncurrent assets	<u>38,390,699</u>	<u>108,676,622</u>	<u>1,335,411</u>	<u>148,402,732</u>	<u>-</u>
Total Assets	<u>49,376,768</u>	<u>134,082,453</u>	<u>1,582,010</u>	<u>185,041,231</u>	<u>7,839,921</u>
Deferred Outflows of Resources:					
Deferred charge on refunding	<u>71,033</u>	<u>113,661</u>	<u>-</u>	<u>184,694</u>	<u>-</u>
<b>Liabilities:</b>					
Current Liabilities:					
Accounts payable	486,904	402,351	8	889,263	20,672
Accrued payroll	57,483	23,683	1,715	82,881	-
Accrued vacation and sick leave pay	36,697	10,980	1,172	48,849	-
Accrued interest payable	301,101	2,076,692	-	2,377,793	-
Current portion of revenue bonds payable	935,700	1,885,300	-	2,821,000	-
Claims payable	-	-	-	-	1,810,000
Other current liabilities	<u>116,758</u>	<u>2,732</u>	<u>-</u>	<u>119,490</u>	<u>-</u>
	<u>1,934,643</u>	<u>4,401,738</u>	<u>2,895</u>	<u>6,339,276</u>	<u>1,830,672</u>
Current liabilities (payable from restricted assets):					
Deposits payable	<u>600,462</u>	<u>-</u>	<u>2,864</u>	<u>603,326</u>	<u>-</u>
Total Current Liabilities	<u>2,535,105</u>	<u>4,401,738</u>	<u>5,759</u>	<u>6,942,602</u>	<u>1,830,672</u>
Noncurrent Liabilities:					
Long-term portion of revenue bonds payable (net of unamortized premiums, discounts and unamortized refunding loss)	21,564,182	95,791,911	-	117,356,093	-
Noncurrent accrued vacation and sick leave pay	122,043	36,518	3,897	162,458	-
OPEB obligation	<u>160,215</u>	<u>70,793</u>	<u>7,452</u>	<u>238,460</u>	<u>-</u>
Total Noncurrent Liabilities	<u>21,846,440</u>	<u>95,899,222</u>	<u>11,349</u>	<u>117,757,011</u>	<u>-</u>
Total Liabilities	<u>24,381,545</u>	<u>100,300,960</u>	<u>17,108</u>	<u>124,699,613</u>	<u>1,830,672</u>
<b>Net Position:</b>					
Net investment in capital assets	12,803,697	27,380,077	1,335,411	41,519,185	-
Unrestricted	<u>12,262,559</u>	<u>6,515,077</u>	<u>229,491</u>	<u>19,007,127</u>	<u>6,009,249</u>
Total Net Position	<u>\$ 25,066,256</u>	<u>\$ 33,895,154</u>	<u>\$ 1,564,902</u>	<u>\$ 60,526,312</u>	<u>\$ 6,009,249</u>

**CITY OF SAINT CHARLES, MISSOURI**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Enterprise Funds		Nonmajor Enterprise Fund	Total Enterprise Funds	
	Waterworks	Sanitary Sewer	Parking Facilities		
Operating Revenues:					
Metered water sales	\$ 8,221,611	\$ -	\$ -	\$ 8,221,611	\$ -
Sewer fees	-	10,741,851	-	10,741,851	-
Garage gate and surface parking lot collections	-	-	156,760	156,760	-
Charges for services	-	-	-	-	6,680,983
Other	557,443	85,070	50	642,563	-
Total Operating Revenues	8,779,054	10,826,921	156,810	19,762,785	6,680,983
Operating Expenses:					
Labor	2,233,869	990,290	85,651	3,309,810	-
Contracted services	317,014	2,852,729	2,416	3,172,159	-
Administrative and general	30,675	3,622	1,193	35,490	-
Purchased water	1,125,022	-	-	1,125,022	-
Utilities and fuels	339,423	658,264	481	998,168	-
Repairs and maintenance	199,881	41,613	19,488	260,982	-
Materials and supplies	699,315	66,044	-	765,359	-
Claims expense and insurance	-	-	-	-	6,800,352
Depreciation	1,333,303	1,876,742	290,886	3,500,931	-
Amortization	194,503	17,545	-	212,048	-
Other	45,750	368,576	-	414,326	-
Total Operating Expenses	6,518,755	6,875,425	400,115	13,794,295	6,800,352
Operating Income (Loss)	2,260,299	3,951,496	(243,305)	5,968,490	(119,369)
Nonoperating Revenues (Expenses):					
Investment income	8,023	7,599	263	15,885	9,496
Interest expense	(523,420)	(4,371,476)	-	(4,894,896)	-
Interest subsidy	78,919	1,330,019	-	1,408,938	-
Net (loss) gain on sale of capital assets	(34,639)	(86,218)	(654)	(121,511)	-
Equity loss in joint venture	(140,995)	-	-	(140,995)	-
Total Nonoperating Revenues (Expenses)	(612,112)	(3,120,076)	(391)	(3,732,579)	9,496
Income (Loss) Before Transfers and Capital Contributions	1,648,187	831,420	(243,696)	2,235,911	(109,873)
Transfers:					
Transfers out	(306,905)	(306,905)	-	(613,810)	-
Total Transfers	(306,905)	(306,905)	-	(613,810)	-
Net Income (Loss) Before Capital Contributions	1,341,282	524,515	(243,696)	1,622,101	(109,873)
Capital contributions	232,339	2,838,095	-	3,070,434	-
Change In Net Position	1,573,621	3,362,610	(243,696)	4,692,535	(109,873)
Net Position - Beginning of Year, Restated	23,492,635	30,532,544	1,808,598	55,833,777	6,119,122
Net Position - End of Year	\$ 25,066,256	\$ 33,895,154	\$ 1,564,902	\$ 60,526,312	\$ 6,009,249

**CITY OF SAINT CHARLES, MISSOURI**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Major Enterprise Funds		Nonmajor Enterprise Fund	Total Enterprise Funds	
	Waterworks	Sanitary Sewer	Parking Facilities		
Cash Flows From Operating Activities:					
Cash received from customers	\$ 8,016,139	\$ 10,471,001	\$ 156,810	\$ 18,643,950	\$ -
Customer deposits received, net	46,556	-	60	46,616	-
Cash received from other funds for services provided	-	-	-	-	6,717,183
Other operating cash receipts	576,347	664,440	854	1,241,641	-
Cash paid to employees for services	(2,182,169)	(972,237)	(83,250)	(3,237,656)	-
Cash payments to suppliers for goods and services	(2,100,730)	(7,045,815)	(25,057)	(9,171,602)	-
Cash payments for premiums and claims	-	-	-	-	(7,295,113)
Net Cash Provided By (Used In)					
Operating Activities	4,356,143	3,117,389	49,417	7,522,949	(577,930)
Cash Flows From Noncapital Financing Activities:					
Transfers (to) from other funds	(306,905)	(306,905)	-	(613,810)	-
Net Cash Used In Noncapital					
Financing Activities:	(306,905)	(306,905)	-	(613,810)	-
Cash Flows From Capital and					
Related Financing Activities:					
Payment for bond (premium), discount and issue costs	(139,785)	(713,219)	-	(853,004)	-
Principal paid on debt	(914,700)	(1,836,900)	-	(2,751,600)	-
Interest paid on debt	(724,347)	(4,915,166)	-	(5,639,513)	-
Interest subsidy	78,919	1,330,019	-	1,408,938	-
Payment on advance from other fund/loan repayments	-	(567,749)	-	(567,749)	-
Contributions from developers/governmental funds	232,339	2,838,095	-	3,070,434	-
Acquisition and construction of capital assets	(1,836,495)	(10,636,127)	-	(12,472,622)	-
Net Cash Used In Capital and Related					
Financing Activities	(3,304,069)	(14,501,047)	-	(17,805,116)	-
Cash Flows Provided By Investing Activities:					
Interest received on investments	8,023	7,599	263	15,885	9,496
Net Increase (Decrease) In Cash and Cash Equivalents	753,192	(11,682,964)	49,680	(10,880,092)	(568,434)
Cash and Cash Equivalents - Beginning of Year	8,370,514	34,984,549	201,853	43,556,916	8,407,189
Cash and Cash Equivalents - End of Year	<u>\$ 9,123,706</u>	<u>\$ 23,301,585</u>	<u>\$ 251,533</u>	<u>\$ 32,676,824</u>	<u>\$ 7,838,755</u>
Reconciliation of Operating Income (Loss) to Net					
Cash Provided By (Used In) Operating Activities:					
Operating Income (loss)	\$ 2,260,299	\$ 3,951,496	\$ (243,305)	\$ 5,968,490	\$ (119,369)
Adjustments to reconcile operating income (loss) to net					
cash provided by (used in) operating activities:					
Depreciation	1,333,303	1,876,742	290,886	3,500,931	-
Amortization	194,503	17,545	-	212,048	-
Change in assets and liabilities:					
Increase in services receivable	(205,472)	(270,850)	-	(476,322)	-
Decrease in other receivable	18,904	579,370	854	599,128	-
Decrease in inventory	591,762	-	-	591,762	-
Increase (decrease) in accounts payable	43,412	(3,055,163)	(1,479)	(3,013,230)	(38,561)
Increase in accrued payroll	7,643	6,243	210	14,096	-
Decrease in claims payable	-	-	-	-	(420,000)
Increase (decrease) in accrued vacation and					
sick leave pay	7,551	(4,321)	493	3,723	-
Increase in other post employment benefit obligation	36,506	16,131	1,698	54,335	-
Increase in deposits	46,556	-	60	46,616	-
Increase in other liabilities	21,176	196	-	21,372	-
Net Cash Provided By (Used In) Operating Activities	<u>\$ 4,356,143</u>	<u>\$ 3,117,389</u>	<u>\$ 49,417</u>	<u>\$ 7,522,949</u>	<u>\$ (577,930)</u>
Noncash Transactions Affecting Financial Position:					
Equity loss in joint venture	<u>\$ 140,995</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,995</u>	<u>\$ -</u>

**CITY OF SAINT CHARLES, MISSOURI**

**STATEMENT OF FIDUCIARY NET POSITION -  
FIDUCIARY FUNDS  
DECEMBER 31, 2013**

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	Post Retirement Benefits Trust Fund	Agency Funds
Assets:		
Cash and cash equivalents	\$ -	\$ 2,561,863
Investments, at fair value:		
Bond funds	<u>1,745,936</u>	<u>-</u>
Total Assets	<u>1,745,936</u>	<u>2,561,863</u>
Liabilities:		
Accounts payable	3,112	-
Due to other taxing districts	-	1,393,915
Deposits payable held in escrow	<u>-</u>	<u>1,167,948</u>
Total Liabilities	<u>3,112</u>	<u>\$ 2,561,863</u>
Net position held in trust for other post employment benefits	<u>\$ 1,742,824</u>	

**CITY OF SAINT CHARLES, MISSOURI**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

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	Post Retirement Benefits Trust Fund
Additions	
Contributions:	
Employer	\$ 609,210
Plan members	236,765
Total Contributions	<u>845,975</u>
Investment income:	
Net appreciation (depreciation) of investments	<u>(48,227)</u>
Total Additions	<u>797,748</u>
Deductions:	
Benefits	770,218
Administration	121,186
Total Deductions	<u>891,404</u>
Change in Net Position	(93,656)
Net Position, Beginning of Year	<u>1,836,480</u>
Net Position, End of Year	<u>\$ 1,742,824</u>



## Basic Financial Statements

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## **CITY OF SAINT CHARLES, MISSOURI**

### **NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2013**

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#### **1. Summary of Significant Accounting Policies**

The City of Saint Charles, Missouri (the “City”), was incorporated as the Town of Saint Charles on November 2, 1809 by the Court of Common Pleas, District of Saint Charles. By an act of the General Assembly on March 10, 1849, it became the City of Saint Charles, Missouri, by special charter. The City now operates under a Home Rule Charter adopted in 1982 in accordance with the provisions of the Missouri Constitution and provides the following services: public safety (police and fire), public works, public improvements, water and sanitation, recreation, community development, planning and zoning and general administrative services.

The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental entities. The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The more significant accounting and reporting policies established in GAAP and practiced by the City are discussed below.

#### **The Financial Reporting Entity**

The City defines its reporting entity to include all component units for which the City's governing body is financially accountable or closely related. The City is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that potential component unit, or the relationship must have the potential for creating specific financial benefits to, or impose specific financial burdens on, the City. The City's financial reporting entity consists of the City and its component unit. The component unit discussed below is included in the City's financial reporting entity because of the significance of its operational and financial relationship with the City.

#### **Blended Component Unit**

The following component unit is legally separate from the City; however, its activities are so intertwined with the City as the primary government that it is, in substance, the same as the primary government. As such, the balances and transactions of this component unit are blended into the basic financial statements and are reported in a manner similar to the balances and transactions of the City itself.

#### **City of Saint Charles, Missouri, Public Facilities Authority (PFA)**

The PFA is a not-for-profit corporation created by Ordinance of the City Council, organized and existing under the laws of the state of Missouri. Board members are appointed by the Mayor of the City for a three-year term and must be approved by City Council. The PFA's purpose is to provide financing for the purchase or construction of various assets for the sole benefit of the City. The PFA is accounted for as if it were part of the City's operations because it was established to provide benefits exclusively for the public facility needs of the City. Separate financial statements are not prepared for the PFA. During the year ended December 31, 2013, the PFA had no activity.



## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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#### **Joint Ventures**

The City has entered into the following multi-governmental arrangements creating organizations that are owned, operated or governed by two or more participants as separate and specific activities subject to joint control, in which the City retains an ongoing financial interest or an ongoing financial responsibility.

#### **Saint Peters-Saint Charles Water Pipeline Project (Water Pipeline Project)**

The Water Pipeline Project was formed under the laws of the state of Missouri on October 2, 1985. The purpose of the Water Pipeline Project is to construct and operate a water pipeline and appurtenant facilities from the Howard Bend Treatment Plant, owned and operated by the City of Saint Louis, Missouri, to the separate facilities of the municipalities of Saint Peters, Missouri, and Saint Charles, Missouri, in order to adequately supply water by the pipeline to the citizens and businesses of the municipalities. The Water Pipeline Project is owned by the City of Saint Peters (31.8%) and the City of Saint Charles (68.2%). The City of Saint Peters is responsible for managing and accounting for the daily operations of the Water Pipeline Project, except when concurrence of both cities is required. Additional information regarding the Water Pipeline Project is provided in Note 14.

#### **Convention Center Project**

The City and the Saint Charles County Convention & Sports Facility Authority (the Authority) entered into a Convention Center Agreement (Cooperation Agreement) to contract and cooperate with each other and any private corporation for the planning, development, construction, acquisition or operation of a public improvement or facility as authorized under RSMo 710.210 to 70.320. Specifically, the Cooperation Agreement provides for the joint financing, construction and operation of a convention center facility and all related improvements.

The Authority will own an undivided 3/4 interest and the City will own an undivided 1/4 interest in the Convention Center Building. The City will retain ownership of the land for the project and lease the property to the Authority and to the Hotel Developer. Additional information regarding the Convention Center Project is provided for in Note 14.

#### **Related Organization**

The City's officials are also responsible for appointing members to the Board of Saint Charles Housing Authority and the New Town Entertainment District, but the City's accountability for these organizations does not extend beyond making such appointments. Accordingly, these related organizations are not included as a component unit within the City's financial reporting entity.

## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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#### **Jointly Governed Organization**

The City has entered into a multi-governmental arrangement creating the Saint Charles City-County Library Board, which is governed by representatives from each of the participating governments. This organization is not considered to be a joint venture as the City does not retain an ongoing financial interest in or responsibility for the organization. Additionally, this entity does not meet the criteria for inclusion as a component unit in the primary government's financial reporting entity. Accordingly, the Saint Charles City-County Library Board is considered a jointly governed organization.

#### **Basis of Presentation**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

#### **Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of interfund activity has been removed from these statements, with the exception of interfund services provided and used. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business type activities, which rely to a significant extent on fees and charges to external parties. The government-wide financial statements report net position in three parts - net investment in capital assets; restricted net position and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Taxes, unrestricted interest earnings and other items not properly included among program revenues are reported instead as general revenues. The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

#### **Fund Financial Statements**

Following the government-wide financial statements are separate financial statements for governmental funds, proprietary funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balances for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balance for all governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide financial statements.

## CITY OF SAINT CHARLES, MISSOURI

### *Notes to Basic Financial Statements (continued)*

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#### **Fund Accounting**

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. There are three categories of funds: governmental, proprietary and fiduciary.

#### **Governmental Fund Type**

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income. The following are the City's major governmental funds:

**General Fund** - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**General Obligation (GO) Capital Projects Fund** - The GO Capital Projects Fund is used to account for the use of bond proceeds for constructing, furnishing, and equipping a public works facility, a new fire station and public safety facility, and City Hall garage structural repairs.

**Neighborhood Improvement District (NID) Capital Projects Fund** - The NID capital projects fund is used to account for the use of bond proceeds for infrastructure projects in New Town Development and the Streets of St. Charles at Noah's Ark.

**Neighborhood Improvement District (NID) Debt Service Fund** - The NID debt service fund is used to account for the accumulation of resources for, and the payment of long-term debt principal, interest and related costs for bonds issued for improvements to the New Town Development and the Streets of St. Charles at Noah's Ark.

The other governmental funds of the City are considered nonmajor. They are special revenue funds which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, debt service funds, which account for the accumulation of resources for the payment of long-term debt and capital project funds which account for financial resources to be used for acquisition or construction of capital facilities and a permanent fund which is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used.

#### **Proprietary Fund Type**

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is on the determination of net income, changes in net position (or cost recovery), financial position and cash flows. The following are the City's Proprietary fund types:

## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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**Enterprise Funds** - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City has two enterprise funds which are considered major funds as follows:

#### **Major Funds**

**Waterworks Fund** - The waterworks fund is used to account for the collection of revenue and operating expenditures related to water services provided by the City for its customers.

**Sanitary Sewer** - The sanitary sewer fund is used to account for the collection of revenue and operating expenditures related to sanitary sewer services provided by the City for its customers.

#### **NonMajor Fund**

**Parking Facilities** - The parking facilities fund is used to account for the collection of revenue and operating expenses related to parking facilities owned by the City.

**Internal Service Funds** - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City. The City's internal service fund reports on a self insurance program for workers' compensation, general liability and various other risk management services.

#### **Fiduciary Fund Type - Trust and Agency Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Trust funds are accounted for and reported similar to proprietary funds. The City's trust fund accounts for post-employment health care benefits provided to eligible retirees. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. The City's agency funds account for performance bonds pledged by contractors, municipal court collections for bail bonds and the tax collection activities for the Mark Twain Mall Transportation Development District (TDD).

#### **Measurement Focus**

##### **Government-Wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position.

## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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#### **Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows/inflows of resources and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

#### **Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue and in the presentation of expenses versus expenditures.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds and Internal Service Fund are charges to customers for water, sewer and parking services for the Enterprise Funds and interfund services for the Internal Service Fund. Operating expenses for the Enterprise Funds and Internal Service Fund include the cost of sales or services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenue and expenses.

#### **Revenues - Exchange and Nonexchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 3). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. For the City, available means expected to be received within 60 days of year end.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: state-levied locally shared taxes (including gasoline tax), fines and forfeitures, licenses and permits, interest, grants and rentals.

#### **Unearned Revenues**

Unearned revenue arises when assets are recognized before revenue recognition criteria has been satisfied. Certain grants received before eligibility requirements are met are reported as unearned revenues.

#### **Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, principal and interest on general long-term debt, which have not matured are recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

#### **Inventories**

Purchases of materials and supplies in the governmental fund types are charged to expenditures as incurred. Amounts of inventories in such funds are immaterial. For the enterprise funds, inventories are recorded at cost using the first-in, first-out method and the expense is recognized when inventories are consumed in operations.

#### **Capital Assets**

Capital assets, which include property, plant, equipment and prospectively reported infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$5,000 or more for general capital assets, \$250,000 or more for infrastructure and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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In accordance with the transitional provision of GASB Statement No. 34, general government infrastructure assets (streets, bridges, sidewalks) have been fully capitalized retroactively as of January 1, 2003.

The costs of normal maintenance and repairs that do not enhance functionality or materially extend the life of an asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	10-50
Water and sewer lines	50
Streets, bridges and sidewalks	20-50
Furniture and other equipment	5-20
Vehicles	8
Computer equipment	5
Software	5
Land improvement	20
Outdoor recreation	20

A whole year of depreciation is taken in the year the assets are acquired or retired. Fully depreciated assets are included in the accounts until their disposal.

#### **Accumulated Unpaid Vacation, Compensatory Time And Sick Leave**

City employees earn vacation during the current year which must be taken in the subsequent year. Accrued vacation time is payable to employees upon termination. Accrued compensatory time is payable 100% to employees upon termination. Sick leave is vested and accumulated sick days (subject to a minimum of 12 days) are paid at 25% up to 120 days and 50% in excess of 120 days, not to exceed 30 days, and is payable upon termination.

Accumulated unpaid vacation, compensatory time and sick leave are accrued as earned. These amounts are recorded in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if the amounts due at year end have matured.

#### **Other Post Employment Benefit (Asset) Obligation**

The City calculates and records a net other post employment benefit (OPEB) asset or obligation in the government-wide and proprietary funds financial statements. The net OPEB asset or liability is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since January 1, 2008, the date of implementation. The City is not required to and has elected not to retroactively implement GASB 45. Details relating to the City's postretirement health care benefits provided, OPEB asset or liability and its calculation are provided at Note 12.

## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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#### **Long-Term Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The accounting for the proprietary fund is the same in the fund statements as it is in the government-wide statements.

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide-statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### **Interfund Transactions**

In the fund financial statements, the City has the following types of transactions among funds:

##### Transfers

Legally required transfers are reported when incurred as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.



## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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#### **Interfund Services Provided/Used**

Charges or collections for services rendered by one fund for another are recognized as revenues (interfund services provided) of the recipient fund and expenditures or expenses (interfund services used) of the disbursing fund. These transactions are recorded as interfund services provided and used because they would be treated as revenues and expenditures or expenses if they involved organizations external to the City.

Certain internal payments are treated as program revenues, such as internal services provided and used. Certain internal payments are treated as a reduction of expense, such as reimbursements.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

#### **Governmental Fund Balances**

In the governmental fund financial statements the following classifications are used to define the governmental fund balances:

**Nonspendable** - This consists of the governmental fund balances that are not in spendable form or legally or contractually required to be maintained intact. The City's nonspendable fund balance consists of the principal of the cemetery trust fund.

**Restricted** - This consists of the governmental fund balances that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. The City's restricted fund balances consists of various taxes approved by voters for specific purposes, grants and sewer lateral program.

**Committed** - This consists of the governmental fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the City Council, the City's highest level of decision-making authority.

**Assigned** - This consists of governmental fund balances that are intended to be used for specific purpose by a) City Council or b) Mayor. The City's policy is to follow the authorization guidance established by GASB 54. The City's assigned fund balance includes special revenue fund purposes, capital projects, redevelopment, beautification and encumbrances that have not already been accounted for.

**Unassigned** - This consists of the governmental funds that do not meet the definition of "nonspendable," "restricted," "committed" or "assigned."

The City has enacted the following policy, by resolution, in an effort to ensure financial security through the maintenance of a healthy reserve fund that guides the creation, maintenance, and use of resources for financial stabilization purposes. The City's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The City also seeks to maintain the highest possible credit ratings which are dependent, in part, on the City's maintenance of a healthy fund balance.

## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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The fund balance of the City's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities.

The City's fund balance policy is to maintain unrestricted fund balance of not less than 20% of annual operating expenditures and transfers out for the General Fund.

The City's basic goal is to maintain annual expenditure increases at a growth rate, and to limit expenditures to anticipated revenue in order to maintain a balanced budget. The decision to retain an unrestricted fund balance of not less than 20% of operating expenditures stems from the following:

- This amount demonstrates the City's commitment to conservative fiscal management.
- This amount provides adequate funding to cover approximately three months of operating expenses.
- This amount provides the liquidity to respond to contingent liabilities.

#### **Net Position**

In the government-wide financial statements, net position is displayed in three components as follows:

**Net Investment in Capital Assets** - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets.

**Restricted** - This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

**Unrestricted** - This consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

#### **Use of Restricted Resources**

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the City's policy is to first apply the expenditures toward restricted fund balance and then to other, less restrictive classifications - committed and then assigned fund balances before using unassigned fund balances.

#### **Investment In Joint Venture**

The City's investment in the Saint Peters-Saint Charles Water Pipeline Project (Joint Venture) is recorded on the equity method of accounting.

## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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#### **Statement of Cash Flows**

The proprietary fund types consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

#### **Estimates And Assumptions**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year end and revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

#### **Adoption of New Accounting Standards**

For the year ended December 31, 2013 the City adopted GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities". The objective of this Statement is to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The accounting change was applied retroactively. As a result, the net position for the year ended December 31, 2012 has been restated as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Government-Wide Financial Statements</b>			
<b>Net position, beginning of year, as originally reported</b>	\$ 217,103,966	\$ 56,731,705	\$ 273,835,671
Expense bond issuance costs, previously amortized over the life of the debt	(1,001,102)	(897,928)	(1,899,030)
Expense bond issuance costs previously included with the deferred amount on refunding	(90,347)	-	(90,347)
<b>Net position, beginning of year, restated</b>	<u>\$ 216,012,517</u>	<u>\$ 55,833,777</u>	<u>\$ 271,846,294</u>
	<b>Waterworks Fund</b>	<b>Sanitary Sewer Fund</b>	
<b>Fund Financial Statements</b>			
<b>Net position, beginning of year, as originally reported</b>	\$ 23,644,053	\$ 31,279,054	
Expense bond issuance costs, previously amortized over the life of the debt	(151,418)	(746,510)	
<b>Net position, beginning of year, restated</b>	<u>\$ 23,492,635</u>	<u>\$ 30,532,544</u>	

## **2. Deposits And Investments**

### **Investment Policy**

The City's Finance Director, or delegated finance department staff member, subject to review of the Finance Director, is authorized to invest excess funds in any investments authorized by the City's investment policy. The City's investment policy authorizes the City to invest in the following instruments to provide maximum security of capital with the highest return on investment while meeting daily cash flow demands of the City and conforming to all Missouri state statutes governing the investment of public funds: United States Treasury obligations, United States Government Agency Securities and instrumentalities of government sponsored corporations, collateralized repurchase agreements, collateralized certificates of deposit and any full faith and credit obligations of the United States Government or the State of Missouri. Investments may be further restricted by trustee agreements for the City's various debt issues. As of December 31, 2013, all of the City's investments were in compliance with the City's investment policy.

The objectives of the City's investment policy, in order of priority as adopted by the City Council, are the following:

#### Legality:

Investments are limited to permissible instruments as per above.

#### Safety:

Investments shall be undertaken in a manner that seeks to ensure the preservation of the capital in the overall portfolio. Therefore, investments of a speculative nature are to be avoided. Additionally, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. The objective will be to mitigate credit and interest rate risks. Under no circumstances will the City invest in derivatives or allow the use of investments containing derivatives as collateral.

#### Liquidity:

The City's investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands.

#### Yield:

The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions: a declining credit security could be sold early to minimize loss of principal; a security swap would improve the quality, yield, or target duration in the portfolio or liquidity needs of the portfolio require that the security be sold.

## CITY OF SAINT CHARLES, MISSOURI

### *Notes to Basic Financial Statements (continued)*

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As of December 31, 2013, the City's deposit and investment balances were as follows:

Type	Fair Value
Deposits:	
Demand deposits	\$ 40,589,627
Cash on hand	32,400
Nonnegotiable certificates of deposit	4,000,000
Total Deposits	<u>44,622,027</u>
Investments:	
United States agency securities	36,330,098
Money market funds	23,141,926
United States treasury bills	2,999,446
Bond funds	1,975,018
Total Investments	<u>64,446,488</u>
Total Deposits and Investments	<u>\$ 109,068,515</u>
Governmental cash and investments (restricted and unrestricted)	\$ 72,083,892
Business-type cash and investments (restricted and unrestricted)	32,676,824
Fiduciary cash and investments	<u>4,307,799</u>
	<u>\$ 109,068,515</u>

### **Interest Rate Risk**

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. At all times the City should maintain a minimum of 5% of the total portfolio in highly marketable US Treasury Bills or overnight repurchase agreements. Generally, the City should purchase investments with maturities of less than five years. The City may invest up to 75% of the lesser of targeted or actual unreserved fund balance of certain funds in maturities greater than five years. Trustee agreements for the City's various debt issues may further restrict allowable maturities for those investments.

## CITY OF SAINT CHARLES, MISSOURI

### *Notes to Basic Financial Statements (continued)*

As of December 31, 2013, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (In Years)	
		Less than 1	1 - 5
United States agency securities	\$ 36,330,098	\$ 20,083,866	\$ 16,246,232 *
Money market funds	23,141,926	23,141,926	-
United States treasury bills	2,999,446	2,999,446	-
Bond funds	1,975,018	1,975,018	-
	<u>\$ 64,446,488</u>	<u>\$ 48,200,256</u>	<u>\$ 16,246,232</u>

\* \$1,998,994 is callable in less than one year.

### **Credit Risk**

According to the City's investment policy, the City will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by only using those financial institutions that have been approved by the Finance Director. Securities dealers not affiliated with a bank shall be required to have an office located in Missouri (preferably local) and be fully licensed and registered NASD broker/dealers. The City will also diversify the portfolio so that potential losses on individual securities will be minimized and all trades, where applicable, will be executed by delivery versus payment.

As of December 31, 2013, the City's credit ratings associated with their money market funds, United States agency securities and bond funds were as follows:

Investment Type	Standard & Poor's Rating	Moody's Investors Service Rating
United States agency securities	-	Aaa
Money market funds	AAA	Aaa
Bond funds	Not rated	Not rated

### **Concentration of Credit Risk**

According to the City's investment policy, the City's investments will be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of security. The following guidelines represent the maximum limits established for diversification by instrument:

Diversification Of Instrument	Maximum Percent Of Portfolio
United States Treasury obligations	100%
United States agency securities and instrumentalities of government sponsored corporations	100%
Certificates of deposit	10%
Repurchase agreements	25%

## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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The City employs the "prudent person" standard, as defined in the policy, to determine the instrument type and maturity in which the City will invest its funds.

Concentration of credit risk is required to be disclosed by the City for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investment in mutual funds, investments in external investment pools and investments in other pooled investments). At December 31, 2013, the City had the following concentrations of credit risk required to be disclosed:

	Fair Value	Percentage of Total Investments
Federal home loan banks	\$ 8,047,738	12.5%
Federal farm credit banks	8,002,826	12.4%

#### **Custodial Credit Risk**

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. In accordance with its policy, the City addresses custodial risk by pre-qualifying institutions with which the City places investments, diversifying the investment portfolio and maintaining a standard of quality for investments.

For deposits, custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, or by a single collateral pool established by the financial institution.

### **3. Property Tax**

The City's property tax is levied annually, on or before September 1, based on the assessed valuation of property located in the City as of the previous January 1. Assessed valuations are established by the Saint Charles County Assessor. The City's 2013 tax rate was levied at \$0.9573 per \$100 of assessed valuation of which \$0.5490 is for general revenue purposes, \$0.2470 for public parks and \$0.1613 for the payment of principal and interest on general obligation bonds. Taxes are billed November 1, are due and collectible on December 31 and are delinquent and represent a lien on related property on January 1 of the following year. Taxes are billed, collected and remitted to the City by the Saint Charles County Collector.

**CITY OF SAINT CHARLES, MISSOURI**

*Notes to Basic Financial Statements (continued)*

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**4. Capital Assets**

Capital asset activity for the year ended December 31, 2013:

	Balance January 1, 2013	Increases	Decreases	Balance December 31, 2013
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 30,187,777	\$ -	\$ -	\$ 30,187,777
Construction in Progress	39,674,649	12,879,966	36,587,929	15,966,686
Total Capital Assets, Not Being Depreciated	69,862,426	12,879,966	36,587,929	46,154,463
Capital Assets, Being Depreciated:				
Land improvements	16,981,874	2,710,485	5,271	19,687,088
Structures and improvements	43,126,277	2,069,570	16,101	45,179,746
Furniture, fixtures and equipment	30,328,244	6,589,575	5,526,010	31,391,809
Infrastructure	173,724,908	29,694,769	374	203,419,303
Total Capital Assets, Being Depreciated	264,161,303	41,064,399	5,547,756	299,677,946
Less - Accumulated Depreciation For:				
Land improvements	12,098,132	728,495	3,304	12,823,323
Structures and improvements	17,504,066	1,722,578	12,998	19,213,646
Furniture, fixtures and equipment	19,079,313	2,897,970	4,903,419	17,073,864
Infrastructure	76,132,538	6,537,758	56	82,670,240
Total Accumulated Depreciation	124,814,049	11,886,801	4,919,777	131,781,073
Total Capital Assets, Being Depreciated, Net	139,347,254	29,177,598	627,979	167,896,873
Governmental Activities, Capital Assets, Net	\$ 209,209,680	\$ 42,057,564	\$ 37,215,908	\$ 214,051,336



# CITY OF SAINT CHARLES, MISSOURI

## *Notes to Basic Financial Statements (continued)*

	Balance - January 1, 2013	Increases	Decreases	Balance - December 31, 2013
<b>Business-Type Activities:</b>				
Waterworks:				
Capital assets, not being depreciated:				
Land and land rights	\$ 223,228	\$ -	\$ -	\$ 223,228
Construction in progress (A)	9,660,950	1,751,582	6,236,976	5,175,556
Total capital assets not being depreciated	9,884,178	1,751,582	6,236,976	5,398,784
Capital assets, being depreciated:				
Buildings and improvements	34,316,514	6,469,316	66,708	40,719,122
Furniture, fixtures and equipment	3,295,437	193,953	236,947	3,252,443
Total capital assets being depreciated	37,611,951	6,663,269	303,655	43,971,565
Less: Accumulated depreciation for:				
Buildings and improvements	11,511,308	1,164,804	44,709	12,631,403
Furniture, fixtures and equipment	2,233,233	168,499	224,307	2,177,425
Total accumulated depreciation	13,744,541	1,333,303	269,016	14,808,828
Total capital assets being depreciated, net	23,867,410	5,329,966	34,639	29,162,737
Waterworks capital assets, net	33,751,588	7,081,548	6,271,615	34,561,521
Sanitary Sewer:				
Capital assets, not being depreciated:				
Land and land rights	218,059	-	-	218,059
Construction in progress (B)	52,717,742	8,863,499	3,554,109	58,027,132
Total capital assets not being depreciated	52,935,801	8,863,499	3,554,109	58,245,191
Capital assets, being depreciated:				
Buildings and improvements	74,240,061	6,325,597	17,989	80,547,669
Furniture, fixtures and equipment	4,882,540	325,392	731,600	4,476,332
Total capital assets being depreciated	79,122,601	6,650,989	749,589	85,024,001
Less: Accumulated depreciation for:				
Buildings and improvements	31,473,829	1,504,666	8,461	32,970,034
Furniture, fixtures and equipment	2,479,951	372,076	599,937	2,252,090
Total accumulated depreciation	33,953,780	1,876,742	608,398	35,222,124
Total capital assets being depreciated, net	45,168,821	4,774,247	141,191	49,801,877
Sanitary Sewer capital assets, net	98,104,622	13,637,746	3,695,300	108,047,068
Parking Facilities:				
Capital assets, not being depreciated:				
Land	177,000	-	-	177,000
Capital assets, being depreciated:				
Buildings and improvements	6,929,171	-	8,057	6,921,114
Furniture, fixtures and equipment	121,735	-	5,764	115,971
Total capital assets being depreciated	7,050,906	-	13,821	7,037,085
Less: Accumulated depreciation for:				
Buildings and improvements	5,536,072	279,145	7,775	5,807,442
Furniture, fixtures and equipment	64,883	11,741	5,392	71,232
Total accumulated depreciation	5,600,955	290,886	13,167	5,878,674
Total capital assets being depreciated, net	1,449,951	(290,886)	654	1,158,411
Parking Facilities capital assets, net	1,626,951	(290,886)	654	1,335,411
Business-type activities, capital assets, net	<u>\$ 133,483,161</u>	<u>\$ 20,428,408</u>	<u>\$ 9,967,569</u>	<u>\$ 143,944,000</u>

(A) Includes capitalized interest totaling \$862,508.

(B) Includes capitalized interest totaling \$2,865,225.

## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
General Government	\$ 1,212,926
Public Works/Public Improvements	7,126,740
Public Parks	1,085,091
Public Safety	1,827,654
Convention Center	<u>634,390</u>
Total depreciation expense - governmental-type activities	<u><u>\$ 11,886,801</u></u>
Business-type Activities:	
Waterworks	1,333,303
Sanitary Sewer	1,876,742
Parking Facilities	<u>290,886</u>
Total depreciation expense - business-type activities	<u><u>\$ 3,500,931</u></u>

## **5. Employees' Retirement System**

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

### **Plan Description**

LAGERS is a defined benefit pension plan, which provides retirement, disability and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute section RSMo. 70.600-70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt.

All full-time employees are eligible to participate in LAGERS. Benefits vest after five years of credited service. Employees who retire on or after age 60 (55 for police and fire) with five or more years of service are entitled to an allowance for life based upon the benefit program then in effect. Employees may retire with a reduced early retirement benefit after a minimum of five years of credited service and attaining age 55 (50 for police and fire).

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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#### **Funding Policy**

The City's full-time employees do not contribute to the pension plan. The City is required by state statute to contribute at an actuarially determined rate. The June 30<sup>th</sup> statutorily required contribution rates are 14% of annual covered payroll for general employees, 12.7% for police and 11% for fire employees. The contribution requirements of plan members are determined by the governing body of the City. The contribution requirements of the City are established by state statute.

#### **Annual Pension Cost and Net Pension Obligation**

The City's annual pension cost and net pension obligation for the year ended December 31, 2013 were as follows:

Annual required contribution	\$ 4,339,405
Interest on net pension obligation	105,845
Adjustment to annual required contribution	(97,025)
Annual pension cost	<u>4,348,225</u>
Actual contributions	<u>(4,126,964)</u>
Increase in NPO	221,261
Net pension obligation - beginning of year	<u>1,688,322</u>
Net pension obligation - end of year	<u><u>\$ 1,909,583</u></u>

The annual required contribution (ARC) was determined as part of the February 28, 2011 and February 29, 2012 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012 included (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy table set back zero years for men and zero years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back zero years for men and zero years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2011 was 19 years for General division and 30 years for police and fire divisions and February 29, 2012 was 18 years for the general division and 30 years for the police and fire divisions.

#### **Historical Trend Information**

Historical trend information about the City's participation in LAGERS, based on their annual reporting period of June 30, is presented below to help readers assess the plan's funding status on a going-concern basis and assess progress being made in accumulating assets to pay benefits when due.

## CITY OF SAINT CHARLES, MISSOURI

### *Notes to Basic Financial Statements (continued)*

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<u>Three-Year Trend Information</u>			
<u>Year Ended</u>	<u>Annual Pension Costs (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
December 31, 2013	\$4,348,225	94.9%	\$1,909,584
December 31, 2012	3,899,083	91.3%	1,688,322
December 31, 2011	3,931,809	86.5%	1,348,195

#### **Funded Status and Funding Progress**

As of February 28, 2013, the most recent actuarial valuation date, the plan was 85% funded. The actuarial accrued liability for benefits was \$77.7 million, and the actuarial value of assets was \$66.0 million, resulting in an unfunded accrued liability (UAL) of \$11.7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$28.2 million and the ratio of the UAL to the covered payroll was 41%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

#### **6. Obligations Under Lease Agreements**

The City leases equipment under the terms of certain operating lease agreements with terms in excess of one year. Annual aggregate lease payments remaining under the terms of these operating lease agreements as of December 31, 2013 are as follows:

<u>Year</u>	<u>Amount</u>
2014	\$ 41,343
2015	31,143
2016	28,442
2017	25,740
2018	24,840
2019-2023	91,080
	<u>\$ 242,588</u>

Total operating lease rental expenditures of approximately \$70,095 for the year ended December 31, 2013 are included in contractual services expenditures of the respective funds.

# CITY OF SAINT CHARLES, MISSOURI

## *Notes to Basic Financial Statements (continued)*

### **7. Long-Term Liabilities**

The following is a summary of changes in the City's long-term liabilities for the year ended December 31, 2013:

	Original Authorized/ Issued Amount	Balance - January 1, 2013	Additions	Retirements	Balance - December 31, 2013	Current Portion
<b>Governmental Activities:</b>						
Compensated Absences	N/A	\$ 3,923,125	\$ 2,547,339	\$ 2,285,823	\$ 4,184,641	\$ 2,438,196
OPEB (asset) obligation	N/A	2,324,575	1,295,187	609,210	3,010,552	-
LAGERS net pension obligation	N/A	1,688,322	4,348,225	4,126,964	1,909,583	-
Capital leases	1,197,858	1,160,587	1,068,113	119,086	2,109,614	216,640
<b>General Obligation Bonds:</b>						
General Obligation Bonds dated July 1, 2003, 2.95% - 3.55% payable in varying amounts through 2015	2,555,000	1,585,000	-	505,000	1,080,000	530,000
General Obligation Refunding Bonds dated February 1, 2006, 3.55% -4.05% payable in varying amounts through 2018	10,930,000	5,840,000	-	670,000	5,170,000	690,000
General Obligation Bonds dated March 5, 2003, 2.00% - 3.00% payable in varying amounts through 2028	12,400,000	-	12,400,000	-	12,400,000	125,000
General Obligation Bonds dated September 3, 2013, 2.00% -4.00% payable in varying amounts through 2028	3,800,000	-	3,800,000	-	3,800,000	-
	<u>29,685,000</u>	<u>7,425,000</u>	<u>16,200,000</u>	<u>1,175,000</u>	<u>22,450,000</u>	<u>1,345,000</u>
<b>Neighborhood Improvement District Special Assessment Debt With Governmental Commitment:</b>						
Neighborhood Improvement District Limited General Obligation Bonds (New Town at St. Charles Infrastructure Project - Phase One Improvements) Series 2004 dated September 1, 2004, 3.2% - 4.65% payable in varying amounts through 2024	3,295,000	2,430,000	-	2,430,000	-	-
Neighborhood Improvement District Limited General Obligation Bonds (New Town at St. Charles Infrastructure Project - Phase Two and Three Improvements) Series 2005 A and B dated November 1, 2005, 3.4% - 4.5% payable in varying amounts through 2025	7,905,000	6,180,000	-	6,180,000	-	-
Neighborhood Improvement District Limited General Obligation Bonds (New Town at St. Charles Infrastructure Project - Phase Ten Improvements) Series 2008, dated December 3, 2008 3.25% -4.75% payable in varying amounts through 2028	2,040,000	1,870,000	-	85,000	1,785,000	85,000
Neighborhood Improvement District Limited General Obligation Bonds (Streets of St. Charles at Noah's Arks -Phase I Improvements) Series 2010A, dated August 3, 2010, 1.0% - 4.0% payable in varying amounts through 2030	7,630,000	7,305,000	-	330,000	6,975,000	330,000
Neighborhood Improvement District Limited General Obligation Bonds (Streets of St. Charles at Noah's Ark - Phase Two A Improvements) Series 2011A dated November 11, 2011, 2.0% - 4.0% payable in varying amounts through 2031	9,860,000	9,860,000	-	165,000	9,695,000	420,000
Neighborhood Improvement District Limited General Obligation Bonds (Streets of St. Charles at Noah's Ark - Phase Two B Improvements) Series 2012 dated September 11, 2012, 2.0% - 3.1% payable in varying amounts through 2032	18,385,000	18,385,000	-	-	18,385,000	345,000

# CITY OF SAINT CHARLES, MISSOURI

## *Notes to Basic Financial Statements (continued)*

	Original Authorized/ Issued Amount	Balance - January 1, 2013	Additions	Retirements	Balance - December 31, 2013	Current Portion
Neighborhood Improvement District Limited General Obligation Refunding Bonds (New Town at St. Charles Infrastructure Project - Phase One) Series 2013A dated February 20, 2013, 1.0% - 2.5% payable in varying amounts through 2024	2,395,000	-	2,395,000	20,000	2,375,000	215,000
Neighborhood Improvement District Limited General Obligation Refunding Bonds (New Town at St. Charles Infrastructure Project - Phase Two) Series 2013B dated February 20, 2013, 1.0% - 2.5% payable in varying amounts through 2024	4,320,000	-	4,320,000	40,000	4,280,000	355,000
Neighborhood Improvement District Limited General Obligation Refunding Bonds (New Town at St. Charles Infrastructure Project - Phase Three) Series 2013C dated February 20, 2013, 1.0% - 2.5% payable in varying amounts through 2024	1,810,000	-	1,810,000	10,000	1,800,000	145,000
Neighborhood Improvement District Limited General Obligation Refunding Bonds (Streets of St. Charles at Noah's Ark) Series 2013 dated October 17, 2013, 2.0% - 4.2% payable in varying amounts through 2033	3,545,000	-	3,545,000	-	3,545,000	-
	<u>61,185,000</u>	<u>46,030,000</u>	<u>12,070,000</u>	<u>9,260,000</u>	<u>48,840,000</u>	<u>1,895,000</u>
<b>Tax Increment Revenue Notes:</b>						
Tax Increment Revenue Notes, Series 1998, (Elm Point - Lime Lagoon), 7% - 9%, maturing in October 2019	8,000,000	6,190,000	-	910,000	5,280,000	-
Tax Increment Revenue Notes, Series 2000, (Mark Twain Mall Bass Pro Shops Redevelopment Project), 9%, maturing in October 2015	12,200,000	3,538,000	-	1,407,000	2,131,000	-
Tax Increment Revenue Notes, Series 2005, (Fountain Lakes Redevelopment Project), 7%, maturing in March 2014	14,590,000	8,810,000	-	-	8,810,000	-
	<u>34,790,000</u>	<u>18,538,000</u>	<u>-</u>	<u>2,317,000</u>	<u>16,221,000</u>	<u>-</u>
<b>Certificates of Participation:</b>						
Certificates of Participation, Series 2009, (Refunded PFA Leasehold Revenue Bonds, Series 1997), 1.5% - 3.4%, maturing in February 2017	23,445,000	3,362,000	-	678,400	2,683,600	694,000
Certificates of Participation, Series 2010, (Refunded Certificates of Participation, Series 2003 - Art Foundry Center), 3.0% - 5.0%, maturing February 2023	1,185,000	1,105,000	-	85,000	1,020,000	85,000
Certificates of Participation, Series 2012, (Refunded Certificates of Participation, Series 2003B- Convention Center), 2.0% - 3.0%, maturing May 2024	28,105,000	26,285,000	-	1,740,000	24,545,000	1,765,000
	<u>52,735,000</u>	<u>30,752,000</u>	<u>-</u>	<u>2,503,400</u>	<u>28,248,600</u>	<u>2,544,000</u>
	<u>\$ 179,592,858</u>	<u>\$ 111,841,609</u>	<u>\$ 37,528,864</u>	<u>\$ 22,396,483</u>	<u>126,973,990</u>	<u>\$ 8,438,836</u>
Add: Unamortized premium (discount), net					947,835	
<b>Total Governmental Activities</b>					<u>\$ 127,921,825</u>	

The liability for compensated absences has historically been liquidated from the general fund, street maintenance and improvement fund, community development fund, sewer lateral program fund, park fund and tourism fund based on where employees are assigned. The LAGERS net pension obligation is generally liquidated by the General Fund. The OPEB obligation is liquidated by the City's Fiduciary Trust Fund. Capital leases are liquidated by the Capital Improvement Fund.

# CITY OF SAINT CHARLES, MISSOURI

## *Notes to Basic Financial Statements (continued)*

	Original Authorized/ Issued Amount	Balance - January 1, 2013	Additions	Retirements	Balance - December 31, 2013	Current Portion
<b>Business-Type Activities:</b>						
Compensated absences	N/A	\$ 207,584	\$ 163,319	\$ 159,596	\$ 211,307	\$ 48,849
OPEB obligation	N/A	184,125	100,268	45,933	238,460	-
Certificates of Participation:						
Certificates of Participation, Series 2009, (Refunded PFA Leasehold Revenue Bonds, Series 1997) 1.25% - 3.4% payable in varying amounts through 2017	23,445,000	12,078,000	-	2,441,600	9,636,400	2,506,000
Refunding Certificates of Participation, Series 2010, (Refunded Leasehold Revenue Bonds, Series 2002A and 2002B of the PFA), 3.0% - 5.0%, payable in varying amounts through 2023	28,580,000	28,285,000	-	310,000	27,975,000	315,000
Certificates of Participation, Series 2010A, (Water and Sewer Improvements) dated September 1, 2010, 2.35% - 4.6%, payable in varying amounts through 2030	11,975,000	11,975,000	-	-	11,975,000	-
Certificates of Participation, Series 2010B, (Water and Sewer Improvements) dated September 1, 2010, 5.65% - 5.75%, payable in varying amounts through 2039	73,695,000	73,695,000	-	-	73,695,000	-
	137,695,000	126,033,000	-	2,751,600	123,281,400	2,821,000
	<u>\$ 137,695,000</u>	<u>\$ 126,424,709</u>	<u>\$ 263,587</u>	<u>\$ 2,957,129</u>	123,731,167	<u>\$ 2,869,849</u>
Add: Unamortized premium, net					938,771	
Less: Unaccreted capital appreciation bonds					(4,043,082)	
<b>Total Business-Type Activities</b>					<u>\$ 120,626,856</u>	

## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

#### **Debt Service Requirements To Maturity**

The annual principal requirements to maturity of bonded debt outstanding as of December 31, 2013 are as follows:

Year Ending December 31,	Governmental Activities		Business-Type Activities		Total Debt Service Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 5,784,000	\$ 3,046,110	\$ 2,821,000	\$ 5,691,451	\$ 8,605,000	\$ 8,737,561
2015	6,510,500	2,677,758	2,914,500	5,606,451	9,425,000	8,284,209
2016	6,871,700	2,408,981	3,213,300	5,508,059	10,085,000	7,917,040
2017	6,912,400	2,237,565	5,457,600	5,363,572	12,370,000	7,601,137
2018	6,650,000	2,063,183	4,060,000	5,199,513	10,710,000	7,262,696
2019-2023	33,570,000	7,630,357	26,160,000	23,003,448	59,730,000	30,633,805
2024-2028	24,120,000	3,292,172	23,495,000	17,712,953	47,615,000	21,005,125
2029-2033	9,120,000	590,344	25,905,000	12,002,248	35,025,000	12,592,592
2034-2038	-	-	23,910,000	5,076,675	23,910,000	5,076,675
2039	-	-	5,345,000	153,669	5,345,000	153,669
	<u>\$ 99,538,600</u>	<u>\$ 23,946,470</u>	<u>\$ 123,281,400</u>	<u>\$ 85,318,039</u>	<u>\$ 222,820,000</u>	<u>\$ 109,264,509</u>

#### **General Obligation Bonds**

General obligation bonds are supported by a pledge of the City's full faith and credit. These bonds, which are reported in the government-wide statement of net position, were issued to finance various capital projects. \$3,119,829 is available in the City's General Obligation Debt Service Fund to repay general obligation bonds. The remainder of the general obligation bonds are to be repaid from future property tax levies.

In prior years, the City used monies available in its Debt Service Fund to defease a portion of the outstanding principal on the General Obligation Bonds, Series 2006, scheduled to mature March 1, 2013 through 2017. At December 31, 2013, the outstanding balance of this defeased debt and debt defeased in a prior year is \$2,260,000.

#### **Neighborhood Improvement District Bonds (Special Assessment Debt With Governmental Commitment)**

In 1994, State legislation was adopted permitting the formation of special assessment areas, known as Neighborhood Improvement Districts, to finance local public improvements (the NID Act). The improvements are financed by bonds which are retired by assessments levied on those specific properties which benefit from the improvements. To the extent assessments are insufficient to retire the NID Bonds, the City is obligated to pay for debt service with available funds of the City. The City is not authorized to levy a City-wide property tax to pay the NID Bonds. These bonds are supported by a pledge of the City's full faith and credit.



## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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On February 20, 2013 the City issued \$8,525,000 in Series 2013A, 2013B, and 2013C Neighborhood Improvement District Limited General Obligation Refunding Bonds. The bonds were issued to refund \$8,610,000 of the outstanding principal of the Series 2004, 2005A and 2005B bonds. The net proceeds were used to purchase United States governmental securities. These securities were deposited in an irrevocable trust with an escrow agent to provide future debt service on the refunded portion of the Series 2004, 2005A and 2005B bonds. As a result that portion of the bonds is defeased and the City has removed the liability.

The advance refunding reduced total debt service payments over the next twelve years by approximately \$1.6 million. This resulted in an economic gain (difference between the present values of the debt services payments on the old and new debt) of \$743,037.

The 2004 (refunded in 2013), 2005 (refunded in 2013) and 2008 bonds, which are reported in the government-wide statement of net position, were issued to finance various infrastructure projects benefiting the New Town at Saint Charles Neighborhood Improvement District (the District) Phases One - Ten created by the City. The City's Neighborhood Improvement District Debt Service Fund, has \$2,388,568, available to repay these bonds. The bonds will be repaid from future special assessments to be assessed on certain real property benefited by the Improvements.

The 2010, 2011, 2012 and 2013 bonds, which are reported in the government-wide statement of net position, were issued to finance various infrastructure projects benefiting the Streets of St. Charles at Noah's Ark, Phase one, two (a), two (b) and three improvements. The City's Neighborhood Improvement District Debt Service Fund has \$5,584,125 available to repay these bonds. The bonds will be repaid from future special assessments to be assessed on certain real property benefited by the improvements.

#### **Tax Increment Revenue Notes Payable**

The City has entered into agreements to issue tax increment revenue notes for the purpose of paying a portion of the redevelopment costs in connection with several tax increment financing district redevelopment plans. The notes are payable solely from payments in lieu of taxes attributable to the increase in assessed value of real property in the project area and additional economic activity taxes with no specific debt service requirements, and do not constitute a general obligation of the City. The obligations of the City with respect to these notes terminate on the maturity dates specified above, whether or not the principal amount or interest thereon has been paid in full.

#### **Certificates of Participation**

Certificates of Participation evidence proportionate ownership interest in the right to receive rental payments to be paid by the City under various lease/purchase agreements. The American Recovery and Reinvestment Act of 2009 authorizes the City to issue taxable obligations known as "Build America Bonds" to finance capital expenditures for which it could otherwise issue tax-exempt obligations and to elect to receive a subsidy payment, on each payment date, from the United States Treasury equal to 35% of the amount of each interest payment on the Build America Bonds.

## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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#### **Public Facilities Authority (PFA) Leasehold Revenue Bonds**

On September 10, 1985, the PFA was formed as a Missouri not-for-profit corporation. The purpose of the PFA is to facilitate the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City of Saint Charles, Missouri.

Funding of such capital improvements and facilities has been provided through the issuance of leasehold revenue bonds. Concurrent with the issuance of the bonds discussed below, the City entered into lease agreements, whereby the assets acquired or constructed by the PFA have been leased to the City. The leases terminate each June 30 and can be renewed for additional one-year periods up to a maximum of twenty years. At the end of the 20-year period, the assets are intended to become the property of the City. Lease payments by the City are to be sufficient at all times to pay the total amount of interest and principal (whether at maturity, by acceleration or by redemption as provided in the bond indenture) and premium, if any, on the leasehold revenue bonds as they become due.

The leasehold revenue bonds do not constitute a legal debt or liability for the City, the state of Missouri or for any political subdivision thereof and do not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The issuance of the leasehold revenue bonds does not obligate the City to levy any form of taxation, or to make any appropriation for their payment in any fiscal year. The PFA has no taxing power. The activities and accounts of the PFA have been blended into the City's various fund types and account groups. Because the primary purpose of the PFA is to issue debt to fund the acquisition or construction of assets to be leased to the City, and use the lease payments to repay the debt, the assets and liabilities of the PFA are reported as a form of the City's assets and liabilities.

In June 2002, the PFA issued \$37,250,000 in Leasehold Revenue Bonds (Series 2002A, B & C) to provide funds for repairing streets, acquiring land, constructing improvements to the police station, making improvements to city hall, acquiring certain vehicles and constructing improvements to waterworks and sewerage systems of the City. The debt relating to the Series 2002 A, B & C bonds has been recorded in the governmental activities of the statement of net position, the Waterworks fund and the Sanitary Sewer fund. During 2010, the City refunded the bonds with the Series 2010 Refunding Certificates of Participation, as noted above. As a result, the debt was removed from the PFA and the related assets were transferred to the City on the redemption date, February 1, 2011.

#### **Bond Restrictions**

The Series 2009, 2010B and 2012 Certificates of Participation have debt service reserve restriction requirements in amounts equal to \$2,344,500, \$6,487,410, and \$2,810,500, respectively. Authorized expenditures from these reserves include payments of principal and interest only when funds are not available in the bond fund. As of December 31, 2013, the City's debt service reserves meet or exceed the required reserve.

## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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#### **Legal Debt Margin**

Under the statutes of the State of Missouri, the limit of bonded indebtedness is 10% of the most recent assessed valuation. This does not include an additional debt limit of 10% assessed valuation available for street improvements or waterworks and electric plants as provided under the statutes of the State of Missouri. The computation is as follows:

Assessed valuation - 2013 tax year	<u>\$ 1,239,362,171</u>
Debt limit - 10% of assessed valuation	<u>123,936,217</u>
Amount of debt applicable to debt limit:	
Total general obligation bonded debt (1)	71,290,000
Less: Amount available in debt service funds	<u>(11,092,522)</u>
Bond indebtedness applicable to debt limit	<u>60,197,478</u>
Legal debt margin	<u>\$ 63,738,739</u>

- (1) The table includes the NID Bonds. The NID Act and the constitutional provision authorizing neighborhood improvement districts expressly provide a debt limitation of 10% of the issuer's then-current assessed valuation. *Spradlin v. Fulton* raised, but did not answer the question of whether the NID Act and constitutional authorization established a debt limit independent of other general obligation debt limitations. Accordingly, at this time, NID Bonds are computed as part of the general debt limitation.

#### **Capital Lease Agreements**

At December 31, 2013, the City is obligated under three leases that are classified as capital leases.

The City entered into a lease purchase agreement for various fire department equipment and related installation. The lease is for a total of \$286,888 and calls for annual payments of approximately \$46,308. The final payment under this lease is due in November 2018.

The City entered into a lease purchase agreement for various fire department equipment and related installation. The lease is for a total of \$910,970 and calls for annual payments of approximately \$112,599, with a final balloon payment in the amount of \$284,239 due in March 2019.

**CITY OF SAINT CHARLES, MISSOURI**

*Notes to Basic Financial Statements (continued)*

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The City entered into a lease purchase agreement for various fire department equipment and related installation. The lease is for a total of \$1,068,113 and calls for annual payments of approximately \$121,160, with a final balloon payment in the amount of \$338,866 due May 2020.

The equipment purchased under capital leases is included in capital assets in the government-wide financial statements, net of accumulated depreciation. As of December 31, 2013, the total cost is \$2,421,592 and total accumulated depreciation is \$446,330. Future minimum lease payments under capital leases described above are as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2014	\$ 280,067
2015	280,067
2016	280,067
2017	280,067
2018	280,067
2019-2023	<u>978,023</u>
Total future minimum lease payments	2,378,358
Less amount representing interest	<u>(268,744)</u>
Present value of future minimum lease payments	<u><u>\$ 2,109,614</u></u>

**8. Allowance For Uncollectible Accounts**

The City's allowance for estimated uncollectible receivables at December 31, 2013 is as follows:

	<u>Allowance for - Taxes Receivable</u>	<u>Services Receivable</u>
Major Governmental Fund - General	\$ 489,900	\$ 285,000
Nonmajor Special Revenue Fund - Park	211,200	-
Nonmajor Debt Service Fund - General Obligation Debt Service Fund	146,900	-
Major Enterprise Funds:		
Waterworks	-	59,000
Sanitary Sewer	-	74,000
	<u><u>\$ 848,000</u></u>	<u><u>\$ 418,000</u></u>

**CITY OF SAINT CHARLES, MISSOURI**

*Notes to Basic Financial Statements (continued)*

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**9. Restricted Net Position**

The following net position is reported as restricted:

	<u>Governmental Activities</u>
Restricted for capital projects:	
Capital improvement fund	<u>\$ 2,354,503</u>
Restricted for debt service:	
General Obligation Bonds	\$ 3,622,953
Neighborhood Improvement District	
Limited General Obligation Bonds	23,117,174
Certificates of Participation	1,138,094
	<u>\$ 27,878,221</u>
Restricted for other purposes:	
Street maintenance and improvement	\$ 3,121,147
Community development	2,992,984
Sewer lateral projects	1,620,123
Parks	3,391,219
Cemetery - expendable	341,699
Cemetery - non-expendable	233,912
Tourism	2,177,653
Special business district	203,907
DWI drug enforcement	112,580
DAG forfeiture	200,684
	<u>\$ 14,395,908</u>

**CITY OF SAINT CHARLES, MISSOURI**

*Notes to Basic Financial Statements (continued)*

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**10. Interfund Balances And Transfers**

The following represents a reconciliation of transfers between fund types and individual funds for the year ended December 31, 2013:

	<u>Transfers From</u>	<u>Transfers To</u>	<u>Net Transfers</u>
Major Governmental Funds:			
General	\$ -	\$ 840,327	\$ 840,327
NID Capital Projects	102,249	-	(102,249)
NID Debt Service	-	102,249	102,249
Nonmajor Governmental Funds:			
Community Development	69,612	-	(69,612)
TIF Districts	674,162	-	(674,162)
Convention Center Operations	-	674,162	674,162
Capital improvement	1,292,650	-	(1,292,650)
Street Maintenance and Improvement	33,905	6,549	(27,356)
Cemetery Perpetual Care	1,000	-	(1,000)
Special Street Construction	6,549	-	(6,549)
Street Construction	-	1,170,650	1,170,650
Major Enterprise Funds:			
Waterworks	306,905	-	(306,905)
Sanitary Sewer	306,905	-	(306,905)
	<u>\$ 2,793,937</u>	<u>\$ 2,793,937</u>	<u>\$ -</u>

Interfund transfers were used to move resources from the fund budgeted to collect, to the fund the budget requires to expend them; to provide additional resources for debt service; to provide funding for certain capital improvement projects; and to cover administrative support.

Interfund receivable/payable balances as of December 31, 2013 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Governmental Funds:		
General	\$ 2,833,965	\$ -
Nonmajor Governmental Funds:		
Special street construction	<u>-</u>	<u>2,833,965</u>
	<u>\$ 2,833,965</u>	<u>\$ 2,833,965</u>

The Special Street Construction Fund owes the General Fund for overdraws of pooled cash as of December 31, 2013.

## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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#### **11. Commitments And Contingencies**

##### **Litigation**

The City is a defendant in a number of lawsuits pertaining to matters which are incidental to performing routine governmental and other functions. Based on the current status of all these legal proceedings, it is the opinion of management that they will not have a material effect on the City's financial position.

##### **Federal Grants**

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, will not have a material effect on the City's financial position.

##### **Other Commitments And Contingencies**

During a previous year, the City entered into an agreement with Saint Charles County, Missouri (the County), for the purpose of developing an arena. Under the agreement, the City agreed to contribute \$300,000 annually, through December 2025, subject to certain conditions including meeting certain sales revenue thresholds.

##### **Encumbrances**

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General fund	\$ 130,799
General obligation capital projects	2,174,100
NID capital projects	348,400
Nonmajor governmental funds	4,965,593
Total Governmental Funds	<u><u>\$ 7,618,892</u></u>

#### **12. Post Retirement Health Care Benefits**

##### **Plan Description**

In addition to providing the pension benefits described in Note 5, the City provides an opportunity for continuation of medical insurance coverage to employees who have attained the age of 50 and who have 20 years of service. Employees with 15 years of service who meet the LAGERS disability requirement are allowed to continue coverage by paying the required premium. Retirees who elect to participate must pay the required premium in effect for the current plan year or any subsequent year at the premium rates in effect at that time. For retirees who retired prior to February 1, 2012, the City pays 80% of the retiree premiums and 40% of the spouse premiums.

## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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For retirees who retire on or after February 1, 2012, the City pays a fixed dollar amount toward the premiums based on years of service. Employees hired on or after February 1, 2012 will be allowed to continue coverage under the City's medical, dental, and vision plans by paying 1.5 times the COBRA rates. Medicare eligible retirees are reimbursed for up to \$125 per month for the purchase of Medicare Supplement Insurance. Spouses are not covered past age 65. The benefit is payable immediately upon retirement and continues for the life of the retiree, as long as the retiree pays the monthly premium amount. Spouses can continue to be covered in retirement as long as the retiree continues to be eligible for coverage. Spouses can continue coverage by paying the required premium following the loss of coverage by the retiree. Spouses are not eligible for the Medicare supplement reimbursement. Employees who retired prior to September 1, 2002 had varying levels of postretirement health care benefits of a lesser amount than what is currently provided.

Since the retirees pay a premium for each year, the City share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. The plan is a single-employer defined benefit OPEB plan. The benefits and benefit levels are governed by City policy. During 2013, the plan is accounted for as a trust fund since an irrevocable trust has been established. A stand-alone financial report is not available for the plan.

Membership consisted of the following at January 1, 2012, the date of the latest actuarial valuation:

Active plan member	434
Retired (with medical coverage)	93
Spouses of retirees (with medical coverage)	<u>23</u>
Total	<u>550</u>

### **Funding Policy**

The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the City; however, the City has no obligation to contribute to the Plan on an annual basis. For the year ended December 31, 2013, the City contributed \$609,210 to the Plan for current premiums and claims. Plan members receiving benefits contributed \$236,765 of the total premiums and claims, through required contributions based on their years of service.

### **Annual OPEB Cost and Net OPEB Obligation**

The City's OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB (asset) obligation, as of December 31, 2013:



## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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Annual required contribution	\$ 1,342,200
Interest on net OPEB obligation	100,372
Adjustment to annual required contribution	<u>(93,050)</u>
Annual OPEB cost	1,349,522
Contributions made	<u>(609,210)</u>
Increase in net OPEB obligation	740,312
Net OPEB obligation - beginning of year	<u>2,508,700</u>
Net OPEB obligation - end of year	<u><u>\$ 3,249,012</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011, 2012 and 2013 is as follows:

Year Ended December 31,	Annual Required OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB (Asset) Obligation
2011	\$ 1,435,300	28.07%	\$ 1,787,079
2012	\$ 1,347,416	46.44%	\$ 2,508,700
2013	\$ 1,349,522	45.14%	\$ 3,249,012

### **Funded Status and Funding Progress**

As of January 1, 2012, the most recent actuarial valuation date, the plan was partially prefunded. The actuarial accrued liability for benefits was \$17,370,000, and the actuarial value of assets was \$1,945,789, resulting in an unfunded actuarial accrued liability (UAAL) of \$15,424,211. As of December 31, 2013, the covered payroll (annual payroll of active employees covered by the plan) was \$31,800,000, and the rate of the UAAL to the covered payroll was 49 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress is presented as required supplementary information following the notes to the financial statements.

### **Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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In the January 1, 2012, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4 percent investment rate of return assuming the City has suspended prefunding its retiree medical program. The discount rate is based on the expected earnings of the City's retiree medical trust fund established in 2009. Payroll is assumed to increase at a rate of 4 percent per annum. The medical inflation rate was initially 8 percent and will reduce to an ultimate inflation rate of 4.7 percent over a 70 year period. The healthcare trends used in the valuation are based on long term healthcare trends generated by the Getzen Model, which is the current industry standard for projecting long term medical trends. The Medicare Supplement reimbursement is not assumed to increase. The health mortality is based on the RP 2000 Mortality Table (employee and healthy annuitant tables). The amortization period of the unfunded Actuarial Accrued Liability AAL is 30 years. The remaining amortization period at December 31, 2013, was 25 years. This is a closed group projection; no new hires after the valuation date are assumed in the projection.

### **13. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City utilizes the self insurance internal service fund to account for and finance its uninsured risk of loss. The following types of insurance are provided by the self insurance internal service fund: general liability, property and casualty, workers' compensation and effective February 1, 2008, medical and hospitalization benefits to City employees. The City purchases commercial insurance for claims in excess of coverage provided by the internal service fund and for all other risks of loss. Settlement claims have not exceeded this commercial insurance coverage in any of the past three years.

All funds of the City participate in the program and make payments to the self insurance internal service fund based on both exposure and experience factors. Premiums include amounts needed to pay prior and current-year claims. Claim liabilities are established based on estimates of the ultimate costs of claims (including future expenses) that have been reported but not settled and of claims incurred and not reported. The outstanding claims liability recorded in the internal service fund was \$1,810,000 at December 31, 2013 and is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the general purpose financial statement indicates that it is probable that a liability has been incurred at the date of the general purpose financial statements and the amount of the loss can be reasonably estimated.

**CITY OF SAINT CHARLES, MISSOURI**

*Notes to Basic Financial Statements (continued)*

Changes in the internal service fund claims liability for the years ended December 31, 2012 and December 31, 2013 are as follows:

	Workers' Compensation	General Liability	Medical And Hospitalization Benefits	Total
Claims liability at December 31, 2011	<u>\$ 700,000</u>	<u>\$ 700,000</u>	<u>\$ 750,000</u>	<u>\$ 2,150,000</u>
Incurred claims and claim adjustment expense:				
Provision for insured events of 2012	502,204	469,333	4,947,673	5,919,210
Decrease in provision for insured events of prior years	<u>(94,092)</u>	<u>(117,844)</u>	<u>-</u>	<u>(211,936)</u>
Total incurred claims and claim adjustment expenses	<u>408,112</u>	<u>351,489</u>	<u>4,947,673</u>	<u>5,707,274</u>
Payments:				
Claims and claim adjustment expenses attributable to insured events of 2012	175,193	206,509	4,638,390	5,020,092
Claims and claim adjustment expenses attributable to insured events of prior years	<u>232,919</u>	<u>144,980</u>	<u>229,283</u>	<u>607,182</u>
Total payments	<u>408,112</u>	<u>351,489</u>	<u>4,867,673</u>	<u>5,627,274</u>
Claims liability at December 31, 2012	<u>700,000</u>	<u>700,000</u>	<u>830,000</u>	<u>2,230,000</u>
Incurred claims and claim adjustment expense:				
Provision for insured events of 2013	338,335	368,087	4,899,130	5,605,552
Decrease in provision for insured events of prior years	<u>(200,768)</u>	<u>726,592</u>	<u>-</u>	<u>525,824</u>
Total incurred claims and claim adjustment expenses	<u>137,567</u>	<u>1,094,679</u>	<u>4,899,130</u>	<u>6,131,376</u>
Payments:				
Claims and claim adjustment expenses attributable to insured events of 2013	163,195	182,255	4,397,944	4,743,394
Claims and claim adjustment expenses attributable to insured events of prior years	<u>174,372</u>	<u>1,212,424</u>	<u>421,186</u>	<u>1,807,982</u>
Total payments	<u>337,567</u>	<u>1,394,679</u>	<u>4,819,130</u>	<u>6,551,376</u>
Claims liability at December 31, 2013	<u>\$ 500,000</u>	<u>\$ 400,000</u>	<u>\$ 910,000</u>	<u>\$ 1,810,000</u>

The City considers the \$1,810,000 claims liability to be a current liability.

## CITY OF SAINT CHARLES, MISSOURI

### *Notes to Basic Financial Statements (continued)*

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#### **14. Joint Ventures**

##### Saint Peters-Saint Charles Water Pipeline Project:

The Saint Peters-Saint Charles Water Pipeline Project operates a water pipeline and appurtenant facilities from the Howard Bend Treatment Plant, owned and operated by the City of Saint Louis, Missouri, to the separate facilities of the municipalities of Saint Peters, Missouri, and Saint Charles, Missouri (Owners), in order to adequately supply water to the citizens and businesses of the municipalities.

The Water Pipeline Project is owned by the City of Saint Peters, Missouri (31.8%) and the City of Saint Charles, Missouri (68.2%). The Water Pipeline Project receives all of its operating revenue from the water it sells to the Owners. The cumulative investment in the Water Pipeline Project by the City of Saint Charles, Missouri, through December 31, 2013 includes its proportionate share of water pipeline construction costs and an initial contribution to a water pipeline maintenance fund. Under terms of the Water Pipeline Project agreement, additional contributions to maintain the water pipeline maintenance fund at an agreed upon base amount may be required. The current base amount is \$500,000, which may be increased to a maximum of \$1,000,000 if maintenance costs so justify.

During the year ended December 31, 2013, the City of Saint Charles, Missouri purchased water from the Water Pipeline Project and paid related pumping charges of \$1,125,022 and \$52,733, respectively. These costs are included as operating expenses in the City's Waterworks enterprise fund. As of December 31, 2013, the City of Saint Charles, Missouri owed the Water Pipeline Project approximately \$377,183 for purchased water and related pumping charges.

Condensed summary of financial information for the Joint Venture as of and for its fiscal year ended September 30, 2013 is as follows:

Assets	<u>\$ 6,256,090</u>
Liabilities	\$ 641,465
Partnership capital:	
St. Peters	2,903,699
St. Charles	6,227,431
Accumulated deficit:	
St. Peters	(1,118,252)
St. Charles	<u>(2,398,253)</u>
	<u>\$ 6,256,090</u>
Operating revenue	\$ 1,745,672
Operating expenses	(1,952,535)
Nonoperating revenue	<u>125</u>
Net Loss	<u>\$ (206,738)</u>

## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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Financial statements for the Water Pipeline Project are available from its administrative offices located at One Saint Peters Centre Boulevard, Saint Peters, Missouri 63376.

#### Convention Center Project:

In July 1997, the City of Saint Charles, Missouri Tax Increment Financing (TIF) Commission prepared a redevelopment plan entitled Saint Charles County Convention Center Redevelopment Area (Redevelopment Plan) calling for the construction of a convention center, a full-service hotel and related on-site and off-site improvements. In November 1997, the Redevelopment Plan was approved by the Saint Charles City Council.

In 1992, the Authority was established as a separate legal entity by an Act of the Missouri State legislature with the authority to acquire, purchase or lease and construct, operate, and maintain convention centers, sports stadiums, field houses, indoor and outdoor convention, recreational and entertainment facilities, and to do all things incidental or necessary to facilitate these purposes.

In 2003, as amended in 2009, 2010 and 2012, the City and the Authority entered into a Convention Center Agreement (Cooperation Agreement) to contract and cooperate with each other and any private corporation for the planning, development, construction, acquisition or operation of a public improvement or facility as authorized under RSMo 70.210 to 70.320. Specifically, the Cooperation Agreement provides for the joint financing, construction and operation of a convention center facility and all related improvements (Convention Center Project).

The City and Authority also entered into a Hotel Redevelopment Agreement dated July 25, 2002 with a developer for the development and construction of a hotel of not less than 250 rooms adjacent to the Convention Center site (Hotel Project). The Convention Center property and the Hotel property, (collectively the Project Area), is owned by the City. The City will lease the Convention Center property to the Authority, and under separate lease agreement shall lease the Hotel property to the developer for \$100 per year for 55 years.

The Authority will own an undivided 3/4 interest and the City will own an undivided 1/4 interest in the Convention Center Building.

Pursuant to the Cooperation Agreement, On November 1, 2003, the City issued \$29,735,000 in Certificates of Participation to finance a portion of the construction of the Facility and other related costs and improvements. Until such time as the Certificates of Participation are paid in full or refinanced, the City shall contribute all TIF revenues generated as a result of the Convention Center and Hotel Project within the Convention Center Redevelopment Area, and such other revenues of the City, as will be necessary, when added to the Authority's contributions, to finance construction of, to retire the debt incurred for and to fund the operation of the Convention Center. The Series 2003 Certificates of Participation were refunded in 2012 with the issuance of \$28,105,000 Certificates of Participation, Series 2012.

## **CITY OF SAINT CHARLES, MISSOURI**

### *Notes to Basic Financial Statements (continued)*

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Until such time as the Certificates of Participation are paid in full, the Authority shall contribute towards the cost of construction and operation of the Convention Center Project; (1) all proceeds of the hotel / motel tax earned by Saint Charles County for the benefit of the Authority, except a portion for administration purposes; (2) all funds of the Authority, except \$300,000 to be used by the Authority as its Reserve Funds; (3) any interest accumulating on any funds of the Authority except the reserve or operating funds and (4) any portion of the annual administrative funds not spent or appropriated by the end of the applicable year.

The Convention Center Project is considered a joint venture between the City and the Authority because it constitutes a contractual agreement for public benefit, subject to joint control, in which the City and Authority retain an ongoing financial responsibility as discussed above. There are no separate financial statements prepared for the Convention Center project. The joint venture does not accumulate excess funds. The operational loss for the year ended December 31, 2013 was approximately \$549,000 and is reflected on the City's Convention Center Operations Fund.

#### **15. Fines and Court Costs**

For the year ended December 31, 2013, fines and court costs totaled \$1,128,081. This is approximately 3.0% of the General fund revenue in the amount of \$37,276,723.

#### **16. Recent Accounting Pronouncements**

The accounting principles governing the reported amounts, presentation and related disclosures are subject to change from time to time based on new pronouncements and/or rules issued by various governing bodies. The Government Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments.

In June 2012, the GASB issued Statement No. 67 "Financial Reporting for Pension Plans" and Statement No. 68 "Accounting and Reporting for Pensions". The objective of these Statements is to revise existing accounting and financial reporting requirements for most pension plans, and to revise and establish new financial reporting requirements for most governments that provide their employees with pension benefits. The requirements in Statement No. 67 are effective for periods beginning after June 15, 2013, and the requirements in Statement No. 68 are effective for periods beginning after June 15, 2014.

In November 2013, the GASB issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68." This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The requirements in this Statement are effective simultaneously with the requirements of Statement No. 68 which is effective for periods beginning after June 15, 2014.

The effects on the City's financial statements as a result of the adoption of these new pronouncements are unknown.

**17. Subsequent Events**

Subsequent to December 31, 2013, the City issued \$2,925,000 in Neighborhood Improvement District Bonds, Series 2014 to provide funds to (a) pay the costs of constructing infrastructure for Phase One, (b) fund a debt service reserve account, and (c) pay the costs of delivering the bonds. The Series 2014 Bonds bear interest at rates ranging from 2.0% to 3.9% and mature March 2034.

Subsequent to December 31, 2013, the City issued \$6,885,000 in Refunding Certificates of Participation, Series 2014 to refund \$9,265,055 outstanding Certificates of Participation, Series 2009. The Series 2014 Certificates bear interest at 2.0% and mature February 2017.

Subsequent to December 31, 2013, the City approved a Voluntary Retirement Incentive Program (VRIP). It is offered to Employees who meet the Rule of 80. A fifteen percent retirement incentive based on base salary and the balance of compensated absences are paid out, by employee election over a period of two months or as a lump sum.

Subsequent to December 31, 2013, the City Council approved a second amendment to the redevelopment agreement in connection with a tax increment financing redevelopment project and tax increment revenue notes associated with the West 370 Redevelopment Area. The redevelopment agreement and tax increment revenue notes have been extended from March of 2014 to December 8, 2020.



## Required Supplementary Data

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## **Required Supplementary Information**

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**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Final Budget	Actual	
Revenues:				
Taxes, including interest and penalties:				
Property	\$ 6,608,000	\$ 6,608,000	\$ 6,405,971	\$ (202,029)
Utility gross receipts	8,540,688	8,540,688	8,347,125	(193,563)
Sales	7,808,151	7,808,151	7,854,622	46,471
Gaming receipts	8,873,500	8,873,500	8,873,500	-
Franchise	832,000	835,049	864,060	29,011
Cigarette	460,000	460,000	435,944	(24,056)
Institutional	7,000	7,000	11,243	4,243
Total Taxes	33,129,339	33,132,388	32,792,465	(339,923)
Federal, state and county grants	155,000	155,000	171,924	16,924
Licenses, Permits, Fines and Fees:				
Occupation licenses	540,000	540,000	592,862	52,862
Police court fines and fees	983,382	983,382	1,128,081	144,699
Liquor licenses	95,400	95,400	88,222	(7,178)
Building permits	627,000	627,000	627,126	126
Life support vehicle fees	1,298,000	1,298,000	914,541	(383,459)
Fireworks licenses	78,000	78,000	72,000	(6,000)
Rental inspection program	140,000	140,000	169,595	29,595
Other	23,600	23,600	29,993	6,393
Total licenses, permits, fines and fees	3,785,382	3,785,382	3,622,420	(162,962)
Interest on investments	118,000	123,000	100,469	(22,531)
Other	432,071	450,144	554,352	104,208
Total Revenues	37,619,792	37,645,914	37,241,630	(404,284)
Expenditures:				
General Government:				
Mayor's Office:				
Personnel services	183,366	183,366	177,120	6,246
Contractual services	25,529	25,558	18,496	7,062
Materials and supplies	35,450	35,421	27,174	8,247
	244,345	244,345	222,790	21,555
City Council:				
Personnel services	291,353	312,000	247,273	64,727
Contractual services	95,360	95,302	87,917	7,385
Materials and supplies	52,550	93,400	47,547	45,853
	439,263	500,702	382,737	117,965
Administration:				
Personnel services	441,175	438,175	418,658	19,517
Contractual services	24,432	25,071	17,341	7,730
Materials and supplies	80,630	85,652	55,293	30,359
Capital outlay	-	1,882	1,881	1
	546,237	550,780	493,173	57,607
Human Resources:				
Personnel services	517,182	459,194	357,051	102,143
Contractual services	58,800	124,394	109,200	15,194
Materials and supplies	29,020	21,415	17,353	4,062
	605,002	605,003	483,604	121,399

*(Continued)*

**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Final Budget		
Finance:				
Personnel services	1,524,702	1,524,702	1,417,613	107,089
Contractual services	119,710	127,238	96,021	31,217
Materials and supplies	37,720	42,473	36,360	6,113
Capital outlay	-	4,574	-	4,574
	<u>1,682,132</u>	<u>1,698,987</u>	<u>1,549,994</u>	<u>148,993</u>
City Development:				
Personnel services	887,858	887,858	814,103	73,755
Contractual services	61,450	82,115	51,500	30,615
Materials and supplies	16,640	11,890	5,775	6,115
	<u>965,948</u>	<u>981,863</u>	<u>871,378</u>	<u>110,485</u>
City Attorney:				
Personnel services	405,794	405,794	398,979	6,815
Contractual services	91,080	94,473	75,761	18,712
Materials and supplies	26,111	26,111	23,883	2,228
	<u>522,985</u>	<u>526,378</u>	<u>498,623</u>	<u>27,755</u>
City Clerk:				
Personnel services	322,460	322,460	310,448	12,012
Contractual services	107,596	88,654	47,088	41,566
Materials and supplies	160,120	155,120	120,144	34,976
	<u>590,176</u>	<u>566,234</u>	<u>477,680</u>	<u>88,554</u>
Municipal Court:				
Personnel services	516,085	516,085	493,704	22,381
Contractual services	46,750	47,750	46,268	1,482
Materials and supplies	42,400	49,191	41,138	8,053
	<u>605,235</u>	<u>613,026</u>	<u>581,110</u>	<u>31,916</u>
Cemetery:				
Personnel services	149,482	149,482	127,540	21,942
Contractual services	27,360	27,110	18,865	8,245
Materials and supplies	14,950	15,200	13,324	1,876
Capital outlay	1,500	2,700	-	2,700
	<u>193,292</u>	<u>194,492</u>	<u>159,729</u>	<u>34,763</u>
Economic Development:				
Personnel services	237,239	237,239	235,864	1,375
Contractual services	37,250	41,754	27,152	14,602
Materials and supplies	430,300	500,875	332,712	168,163
Capital outlay	40,000	42,495	37,995	4,500
	<u>744,789</u>	<u>822,363</u>	<u>633,723</u>	<u>188,640</u>
Information Technology				
Personnel services	637,806	821,013	790,308	30,705
Contractual services	696,881	688,587	653,363	35,224
Materials and supplies	35,260	35,263	24,811	10,452
Capital outlay	29,500	99,529	97,869	1,660
	<u>1,399,447</u>	<u>1,644,392</u>	<u>1,566,351</u>	<u>78,041</u>
Total General Government	<u>8,538,851</u>	<u>8,948,565</u>	<u>7,920,892</u>	<u>1,027,673</u>

*(Continued)*

**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Final Budget	Actual	
Public Safety:				
Police Department:				
Personnel services	15,409,704	15,409,705	15,736,355	(326,650)
Contractual services	1,193,238	1,167,984	1,045,064	122,920
Materials and supplies	747,790	800,023	691,643	108,380
Capital outlay	25,900	171,137	87,460	83,677
	<u>17,376,632</u>	<u>17,548,849</u>	<u>17,560,522</u>	<u>(11,673)</u>
Code Enforcement:				
Personnel services	853,600	853,600	834,012	19,588
Contractual services	61,150	68,100	59,323	8,777
Materials and supplies	40,441	41,385	35,152	6,233
	<u>955,191</u>	<u>963,085</u>	<u>928,487</u>	<u>34,598</u>
Fire Department:				
Personnel services	9,531,712	9,538,349	9,862,314	(323,965)
Contractual services	670,725	685,216	550,668	134,548
Materials and supplies	414,700	412,830	314,503	98,327
Capital outlay	24,000	25,319	19,949	5,370
	<u>10,641,137</u>	<u>10,661,714</u>	<u>10,747,434</u>	<u>(85,720)</u>
Total Public Safety	<u>28,972,960</u>	<u>29,173,648</u>	<u>29,236,443</u>	<u>(62,795)</u>
Public Works:				
Building Maintenance:				
Personnel services	463,923	464,679	446,890	17,789
Contractual services	200,694	180,133	176,465	3,668
Materials and supplies	127,725	159,530	158,546	984
Capital outlay	32,812	36,812	5,148	31,664
	<u>825,154</u>	<u>841,154</u>	<u>787,049</u>	<u>54,105</u>
Streets and Stormwater:				
Capital outlay	-	112,766	60,748	52,018
	<u>-</u>	<u>112,766</u>	<u>60,748</u>	<u>52,018</u>
Total Public Works	<u>825,154</u>	<u>953,920</u>	<u>847,797</u>	<u>106,123</u>
Total Expenditures	<u>38,336,965</u>	<u>39,076,133</u>	<u>38,005,132</u>	<u>1,071,001</u>
Revenues Under Expenditures Before Other				
Financing Sources	<u>(717,173)</u>	<u>(1,430,219)</u>	<u>(763,502)</u>	<u>666,717</u>
Other Financing Sources (Uses):				
Transfers in	648,715	770,715	840,327	69,612
Proceeds from sale of capital assets	20,000	20,000	35,093	15,093
Total Other Financing Sources (Uses)	<u>668,715</u>	<u>790,715</u>	<u>875,420</u>	<u>84,705</u>
Net Change in Fund Balances	<u>(48,458)</u>	<u>(639,504)</u>	<u>111,918</u>	<u>751,422</u>
Fund Balances:				
Beginning of Year	<u>12,219,618</u>	<u>12,219,618</u>	<u>12,219,618</u>	<u>-</u>
End of Year	<u>\$ 12,171,160</u>	<u>\$ 11,580,114</u>	<u>\$ 12,331,536</u>	<u>\$ 751,422</u>

## **CITY OF SAINT CHARLES, MISSOURI**

### **NOTES TO BUDGETARY COMPARISON INFORMATION DECEMBER 31, 2013**

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#### **Budgetary Data**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The City follows the procedures outlined below in establishing the budgetary data reflected in the basic financial statements.

1. On or before October 1, the Mayor submits to the City Council a proposed operating budget for the general, special revenue, debt service and capital projects funds for the year commencing the following January 1. The City Council also adopts, as a management control device only, a budget for all remaining funds.
2. The City Council publishes a public notice on the availability of copies of the budget. Not less than two weeks after such notice, a public hearing is conducted by the City Council giving the taxpayers the opportunity to be heard on the proposed budget.
3. The annual operating budgets are then adopted by the City Council by the affirmative vote of a majority of the members of the City Council and approval by the Mayor on or before the last day preceding the budget year. If the budgets have not been passed and approved by this time, then the budgets and appropriations for the current year shall be deemed to be rebudgeted and reappropriated for the budget year until a new budget is adopted and approved.
4. Upon the request of the City's department heads, the Mayor may transfer part, or all, of any unencumbered appropriated balance among programs within a department, office or agency. Intra-departmental transfers aggregating \$10,000 or more must be approved by City Council. Expenditures may not legally exceed appropriations at the department level in the general fund or at the fund level for all other fund types as they are not departmentalized.

A deficit was budgeted in the metropolitan parks tax fund, special street construction and the neighborhood improvement district capital projects fund.

5. If it is determined by the Mayor that there are revenues in excess of those estimated in the budget that are available for appropriation, the City Council may, by ordinance, make supplemental appropriations for the year up to the amount of such excess.
6. If it appears probable that revenues available will be insufficient to meet the amount appropriated, the City Council may, by ordinance, reduce one or more appropriations.
7. Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF FUNDING PROGRESS - LAGERS RETIREMENT SYSTEM  
DECEMBER 31, 2013**

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The following required supplementary information relates to the City's participation in Missouri LAGERS, an agent multiple-employer public employee retirement system.

Year Ended	Actuarial Valuation Date	(a) Actuarial Value Of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage Of Covered Payroll
12/31/13	2/28/13	\$66,008,387	\$77,674,507	\$11,666,120	85%	\$28,210,158	41%
12/31/12	2/29/12	\$61,098,232	\$76,983,928	\$15,885,696	79%	\$27,783,722	57%
12/31/11	2/28/11	\$64,613,201	\$79,216,390	\$14,603,189	82%	\$28,000,586	52%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF FUNDING PROGRESS AND CONTRIBUTIONS -  
OTHER POST-EMPLOYMENT BENEFITS PROGRAM  
DECEMBER 31, 2013**

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The following required supplementary information relates to the City's other post-employment benefits program.

Year Ended	Actuarial Valuation Date	(a) Actuarial Value Of Assets	(b) Actuarial Accrued Liability	(b-a) Unfunded Actuarial Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAL as a Percentage Of Covered Payroll
12/31/11	12/31/10	\$1,808,780	\$17,424,000	\$15,615,000	10.38%	\$28,895,000	54%
12/31/12	01/01/12	\$1,945,789	\$17,370,000	\$15,424,211	11.20%	\$31,300,000	49%
12/31/13	01/01/12	\$1,945,789	\$17,370,000	\$15,424,211	11.20%	\$31,800,000	49%

Note: The results shown above are based on the baseline assumptions with respect to the medical inflation rate and the discount rate, as discussed in the Sensitivity Analysis section of the actuary report. Please note that the 4.00% baseline discount rate assumes that the City has suspended prefunding its retiree medical program. The discount rate is based on the expected earnings of the retiree medical trust fund as provided by the City.

Schedule of Employer Contributions:

Year Ended December 31,	Annual Required Contribution	Percentage Contributed
2011	\$ 1,424,300	28.29%
2012	1,342,200	46.62%
2013	1,342,200	45.39%

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**Other Supplementary Information**

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**Combining And Individual Fund  
Financial Statements And Schedules**

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## **Combining Statements**

### **Nonmajor Governmental Funds**

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#### **Special Revenue Funds**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds maintained by the City are as follows:

Street Maintenance And Improvement Fund - Used to account for sales, gasoline and County road and bridge tax revenues, restricted entirely for maintenance and improvements of City roads and bridges.

Community Development Fund - Used to account for state and federal grant revenues and related expenditures.

Tax Increment Financing (TIF) Districts Fund - Used to account for the City's tax increment financing districts.

Convention Center Operations Fund - Used to account for the operations of the Convention Center, including debt service.

Sewer Lateral Program Fund - Used to account for the revenue generated by a fee charged to certain residential property owners within the City, which is used to pay for the repair of damaged sewer lateral lines.

Metropolitan Parks Tax Fund - Used to account for revenue received from the Metropolitan Park and Recreation District Sales Tax.

Park Fund - Used to account for the revenues and related expenditures of the City's public parks.

Tourism Fund - Used to account for the City's 1% Tourism license tax. These funds are utilized to promote tourism, convention and other related activities in the City.

Special Business District Fund - Used to account for the Special Business District property tax and business license fees generated from Main Street properties.

## **Combining Statements**

### **Nonmajor Governmental Funds**

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#### **Debt Service Funds**

General Obligation Debt Service Fund - Used to account for the accumulation of resources for, and the payment of, certain general long-term debt principal, interest and related costs. This fund accounts for all General Obligation Bonds of the City.

#### **Capital Projects Funds**

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital items (other than those financed by proprietary and fiduciary fund types). The capital projects funds maintained by the City are as follows:

Capital Improvement Fund - Used to account for the utilization of the one-half cent capital improvement sales tax and a portion of the City's general sales tax. Capital projects primarily for general government purposes are funded herein.

Special Street Construction Fund - Used to account for the construction expenditures for projects which are funded by federal, state and county grants.

Street Construction Fund - Used to account for the use of gaming funds dedicated to new street construction and reconstruction of existing roadways including related curb and gutter work and design engineering services. These funds can also be utilized for street lighting and traffic signalization.

Major Facilities Fund - Used to account for the use of gaming funds dedicated to enhancing or expanding existing City facilities or new construction.

Stormwater Fund - Used to account for the use of gaming funds dedicated to help finance the stormwater projects.

#### **Permanent Fund**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used.

Cemetery Trust Fund - Used to account for the revenues and related expenses of the City's cemetery.

**CITY OF SAINT CHARLES, MISSOURI**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2013**

	Combined Nonmajor Special Revenue Funds	General Obligation Debt Service Fund	Combined Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Cash and investments:					
Held by trustees	\$ 4,173,539	\$ -	\$ 587,797	\$ -	\$ 4,761,336
Restricted	-	-	-	575,611	575,611
Unrestricted	10,216,265	2,318,222	14,369,811	-	26,904,298
Receivables, net of allowances:					
Taxes	2,965,684	1,532,762	1,406,787	-	5,905,233
Notes	2,777,324	-	-	-	2,777,324
Grants	136,607	-	3,437,117	-	3,573,724
Interest	-	-	51	-	51
Other	1,359,450	-	929,326	-	2,288,776
Total Assets	<u>\$ 21,628,869</u>	<u>\$ 3,850,984</u>	<u>\$ 20,730,889</u>	<u>\$ 575,611</u>	<u>\$ 46,786,353</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,737,436	\$ -	\$ 1,707,528	\$ -	\$ 3,444,964
Accrued payroll	210,032	-	-	-	210,032
Unearned revenue	17,918	-	-	-	17,918
Due to other funds	-	-	2,833,965	-	2,833,965
Total Liabilities	<u>1,965,386</u>	<u>-</u>	<u>4,541,493</u>	<u>-</u>	<u>6,506,879</u>
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	1,052,523	731,155	-	-	1,783,678
<b>Fund Balances:</b>					
Nonspendable	-	-	-	233,912	233,912
Restricted for:					
Street maintenance and improvement	3,121,147	-	-	-	3,121,147
Community development	2,992,984	-	-	-	2,992,984
TIF projects and debt obligations	1,336,019	-	-	-	1,336,019
Debt service	4,820,431	3,119,829	587,797	-	8,528,057
Sewer lateral projects	1,620,123	-	-	-	1,620,123
Parks	2,338,696	-	-	-	2,338,696
Capital projects	-	-	2,388,541	-	2,388,541
Cemetery	-	-	-	341,699	341,699
Tourism	2,177,653	-	-	-	2,177,653
Special business district	203,907	-	-	-	203,907
Assigned for:					
Capital projects	-	-	13,213,058	-	13,213,058
Total Fund Balances	<u>18,610,960</u>	<u>3,119,829</u>	<u>16,189,396</u>	<u>575,611</u>	<u>38,495,796</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 21,628,869</u>	<u>\$ 3,850,984</u>	<u>\$ 20,730,889</u>	<u>\$ 575,611</u>	<u>\$ 46,786,353</u>

**CITY OF SAINT CHARLES, MISSOURI**

**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2013**

	<u>Street Maintenance and Improvement</u>	<u>Community Development</u>	<u>Tax Increment Financing (TIF) Districts</u>	<u>Convention Center Operations</u>	<u>Sewer Lateral Program</u>
Assets:					
Cash and investments:					
Held by trustees	\$ -	\$ -	\$ 25,062	\$ 4,148,477	\$ -
Unrestricted	2,965,946	177,704	1,289,953	1,010,818	1,259,030
Receivables, net of allowances:					
Taxes	399,148	-	-	-	-
Notes	-	2,777,324	-	-	-
Grants	-	50,652	-	-	-
Other	-	-	42,305	941,653	369,687
Total Assets	<u>\$ 3,365,094</u>	<u>\$ 3,005,680</u>	<u>\$ 1,357,320</u>	<u>\$ 6,100,948</u>	<u>\$ 1,628,717</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities:					
Accounts payable	\$ 118,918	\$ 10,847	\$ 3,383	\$ 1,280,517	\$ 6,544
Accrued payroll	125,029	1,849	-	-	2,050
Unearned revenue	-	-	17,918	-	-
Total Liabilities	<u>243,947</u>	<u>12,696</u>	<u>21,301</u>	<u>1,280,517</u>	<u>8,594</u>
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	-	-	-	-	-
Fund Balances:					
Restricted for:					
Street maintenance and improvement	3,121,147	-	-	-	-
Community development	-	2,992,984	-	-	-
TIF projects and debt obligations	-	-	1,336,019	-	-
Debt service	-	-	-	4,820,431	-
Sewer lateral projects	-	-	-	-	1,620,123
Parks	-	-	-	-	-
Tourism	-	-	-	-	-
Special business district	-	-	-	-	-
Total Fund Balances	<u>3,121,147</u>	<u>2,992,984</u>	<u>1,336,019</u>	<u>4,820,431</u>	<u>1,620,123</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,365,094</u>	<u>\$ 3,005,680</u>	<u>\$ 1,357,320</u>	<u>\$ 6,100,948</u>	<u>\$ 1,628,717</u>

Metropolitan Parks Tax	Park	Tourism	Special Business District	Total
\$ -	\$ -	\$ -	\$ -	\$ 4,173,539
455,488	898,763	1,966,345	192,218	10,216,265
30,246	2,204,989	316,152	15,149	2,965,684
-	-	-	-	2,777,324
-	-	85,955	-	136,607
-	5,805	-	-	1,359,450
<u>\$ 485,734</u>	<u>\$ 3,109,557</u>	<u>\$ 2,368,452</u>	<u>\$ 207,367</u>	<u>\$ 21,628,869</u>
\$ 31,027	\$ 117,377	\$ 165,363	\$ 3,460	\$ 1,737,436
-	55,668	25,436	-	210,032
-	-	-	-	17,918
<u>31,027</u>	<u>173,045</u>	<u>190,799</u>	<u>3,460</u>	<u>1,965,386</u>
-	1,052,523	-	-	1,052,523
-	-	-	-	3,121,147
-	-	-	-	2,992,984
-	-	-	-	1,336,019
-	-	-	-	4,820,431
-	-	-	-	1,620,123
454,707	1,883,989	-	-	2,338,696
-	-	2,177,653	-	2,177,653
-	-	-	203,907	203,907
<u>454,707</u>	<u>1,883,989</u>	<u>2,177,653</u>	<u>203,907</u>	<u>18,610,960</u>
<u>\$ 485,734</u>	<u>\$ 3,109,557</u>	<u>\$ 2,368,452</u>	<u>\$ 207,367</u>	<u>\$ 21,628,869</u>

**CITY OF SAINT CHARLES, MISSOURI**

**COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2013**

	Capital Improvement	Special Street Construction	Street Construction	Major Facilities	Stormwater	Total
Assets:						
Cash and investments:						
Held by trustees	\$ -	\$ -	\$ -	\$ -	\$ 587,797	\$ 587,797
Unrestricted	2,559,885	-	7,214,210	2,292,659	2,303,057	14,369,811
Receivables:						
Taxes	389,179	-	1,012,969	579	4,060	1,406,787
Grants	-	3,437,117	-	-	-	3,437,117
Interest	-	-	-	34	17	51
Other	-	-	929,326	-	-	929,326
Total Assets	<u>\$ 2,949,064</u>	<u>\$ 3,437,117</u>	<u>\$ 9,156,505</u>	<u>\$ 2,293,272</u>	<u>\$ 2,894,931</u>	<u>\$ 20,730,889</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	\$ 560,523	\$ 603,152	\$ 184,413	\$ 69,634	\$ 289,806	\$ 1,707,528
Due to other funds	-	2,833,965	-	-	-	2,833,965
Total Liabilities	<u>560,523</u>	<u>3,437,117</u>	<u>184,413</u>	<u>69,634</u>	<u>289,806</u>	<u>4,541,493</u>
Fund Balances:						
Restricted for:						
Capital projects	2,388,541	-	-	-	-	2,388,541
Debt service	-	-	-	-	587,797	587,797
Assigned for:						
Capital projects	-	-	8,972,092	2,223,638	2,017,328	13,213,058
Total Fund Balances	<u>2,388,541</u>	<u>-</u>	<u>8,972,092</u>	<u>2,223,638</u>	<u>2,605,125</u>	<u>16,189,396</u>
Total Liabilities and Fund Balances	<u>\$ 2,949,064</u>	<u>\$ 3,437,117</u>	<u>\$ 9,156,505</u>	<u>\$ 2,293,272</u>	<u>\$ 2,894,931</u>	<u>\$ 20,730,889</u>

**CITY OF SAINT CHARLES, MISSOURI**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Combined Nonmajor Special Revenue Funds	General Obligation Debt Service Fund	Combined Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes, including interest and penalties:					
Property	\$ 7,175,693	\$ 1,926,565	\$ -	\$ -	\$ 9,102,258
Utility	48,826	-	-	-	48,826
Tourism	2,693,935	-	-	-	2,693,935
Sales	4,030,094	-	5,026,135	-	9,056,229
Gasoline and motor fuel	2,386,886	-	-	-	2,386,886
Gaming receipts	-	-	3,436,762	-	3,436,762
County road and bridge	1,355,407	-	-	-	1,355,407
Total Taxes	17,690,841	1,926,565	8,462,897	-	28,080,303
Federal, state and county grants	577,613	-	4,834,202	-	5,411,815
Intergovernmental revenue from Saint Charles					
County Convention and Sports Authority	3,510,342	-	-	-	3,510,342
Licenses, permits, fines and fees	2,402,929	-	-	-	2,402,929
Interest on investments	12,205	2,449	18,152	655	33,461
Other	537,904	-	1,379,768	34,051	1,951,723
Total Revenues	24,731,834	1,929,014	14,695,019	34,706	41,390,573
Expenditures:					
Current:					
General government	5,973,431	-	25,761	2,200	6,001,392
Public works/public improvements	5,415,795	-	21,600	-	5,437,395
Public parks	3,622,525	-	-	-	3,622,525
Public services	264,158	-	-	-	264,158
Convention Center	566,333	-	-	-	566,333
Capital outlay	1,878,412	-	16,156,290	-	18,034,702
Debt service:					
Principal retirement	4,057,000	1,175,000	882,486	-	6,114,486
Interest and fiscal charges	2,758,327	418,747	175,524	-	3,352,598
Bond issue costs	-	79,724	-	-	79,724
Total Expenditures	24,535,981	1,673,471	17,261,661	2,200	43,473,313
Revenues Over (Under) Expenditures	195,853	255,543	(2,566,642)	32,506	(2,082,740)
Other Financing Sources (Uses):					
Transfers in	680,711	-	1,170,650	-	1,851,361
Transfers out	(777,679)	-	(1,299,199)	(1,000)	(2,077,878)
Inception of capital lease	-	-	1,068,113	-	1,068,113
Proceeds from sale of capital assets	9,627	-	4,890	-	14,517
Total Other Financing Sources (Uses)	(87,341)	-	944,454	(1,000)	856,113
Net Change in Fund Balances	108,512	255,543	(1,622,188)	31,506	(1,226,627)
Fund Balances:					
Beginning of Year	18,502,448	2,864,286	17,811,584	544,105	39,722,423
End of Year	\$ 18,610,960	\$ 3,119,829	\$ 16,189,396	\$ 575,611	\$ 38,495,796

**CITY OF SAINT CHARLES, MISSOURI**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Street Maintenance and Improvement	Community Development	Tax Increment Financing (TIF) Districts	Convention Center Operations	Sewer Lateral Program
Revenues:					
Taxes, including interest and penalties:					
Property	\$ -	\$ -	\$ 4,370,701	\$ -	\$ -
Utility	-	-	48,826	-	-
Tourism and hotel	-	-	-	-	-
Sales	2,638,635	-	1,171,646	-	-
Gasoline and motor fuel	2,386,886	-	-	-	-
County road and bridge	1,355,407	-	-	-	-
Total Taxes	6,380,928	-	5,591,173	-	-
Federal, state and county grants	3,766	255,571	-	-	-
Intergovernmental revenue from Saint Charles					
County Convention and Sports Authority	-	-	-	3,510,342	-
Licenses, permits, fines and fees	59,047	-	-	-	381,082
Interest on investments	3,363	100	1,276	526	1,520
Other	265,346	128	38,363	-	335
Total Revenues	6,712,450	255,799	5,630,812	3,510,868	382,937
Expenditures:					
Current:					
General government	949,853	111,745	526,944	-	468,435
Public works/public improvements	5,409,001	6,794	-	-	-
Public parks	-	-	-	-	-
Public services	-	264,158	-	-	-
Convention Center	-	-	-	566,333	-
Capital outlay	33,871	-	-	-	-
Debt service:					
Principal retirement	-	-	2,317,000	1,740,000	-
Interest and fiscal charges	-	-	2,102,868	655,459	-
Total Expenditures	6,392,725	382,697	4,946,812	2,961,792	468,435
Revenues Over (Under) Expenditures	319,725	(126,898)	684,000	549,076	(85,498)
Other Financing Sources (Uses):					
Transfers in	6,549	-	-	674,162	-
Transfers out	(33,905)	(69,612)	(674,162)	-	-
Proceeds from the sale of capital assets	5,456	-	-	-	-
Total Other Financing Sources (Uses)	(21,900)	(69,612)	(674,162)	674,162	-
Net Change in Fund Balances	297,825	(196,510)	9,838	1,223,238	(85,498)
Fund Balances:					
Beginning of Year	2,823,322	3,189,494	1,326,181	3,597,193	1,705,621
End of Year	\$ 3,121,147	\$ 2,992,984	\$ 1,336,019	\$ 4,820,431	\$ 1,620,123



Metropolitan Park Tax	Park	Tourism	Special Business District	Total
\$ -	\$ 2,769,883	\$ -	\$ 35,109	\$ 7,175,693
-	-	-	-	48,826
-	-	2,693,935	-	2,693,935
219,813	-	-	-	4,030,094
-	-	-	-	2,386,886
-	-	-	-	1,355,407
<u>219,813</u>	<u>2,769,883</u>	<u>2,693,935</u>	<u>35,109</u>	<u>17,690,841</u>
-	142,013	176,263	-	577,613
-	-	-	-	3,510,342
-	1,942,519	-	20,281	2,402,929
593	1,622	2,121	1,084	12,205
-	88,954	144,778	-	537,904
<u>220,406</u>	<u>4,944,991</u>	<u>3,017,097</u>	<u>56,474</u>	<u>24,731,834</u>
-	1,109,363	2,786,502	20,589	5,973,431
-	-	-	-	5,415,795
-	3,622,525	-	-	3,622,525
-	-	-	-	264,158
-	-	-	-	566,333
341,957	1,458,259	6,249	38,076	1,878,412
-	-	-	-	4,057,000
-	-	-	-	2,758,327
<u>341,957</u>	<u>6,190,147</u>	<u>2,792,751</u>	<u>58,665</u>	<u>24,535,981</u>
<u>(121,551)</u>	<u>(1,245,156)</u>	<u>224,346</u>	<u>(2,191)</u>	<u>195,853</u>
-	-	-	-	680,711
-	-	-	-	(777,679)
-	4,171	-	-	9,627
<u>-</u>	<u>4,171</u>	<u>-</u>	<u>-</u>	<u>(87,341)</u>
(121,551)	(1,240,985)	224,346	(2,191)	108,512
<u>576,258</u>	<u>3,124,974</u>	<u>1,953,307</u>	<u>206,098</u>	<u>18,502,448</u>
<u>\$ 454,707</u>	<u>\$ 1,883,989</u>	<u>\$ 2,177,653</u>	<u>\$ 203,907</u>	<u>\$ 18,610,960</u>

**CITY OF SAINT CHARLES, MISSOURI**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Capital Improvement	Special Street Construction	Street Construction	Major Facilities	Stormwater	Total
Revenues:						
Sales taxes	\$ 5,026,135	\$ -	\$ -	\$ -	\$ -	\$ 5,026,135
Gaming taxes	-	-	1,873,762	195,000	1,368,000	3,436,762
Federal, state and county grants	50,466	4,783,736	-	-	-	4,834,202
Interest on investments	4,017	-	7,818	3,402	2,915	18,152
Other	64,582	-	1,315,177	-	9	1,379,768
Total Revenues	5,145,200	4,783,736	3,196,757	198,402	1,370,924	14,695,019
Expenditures:						
Current:						
General government	-	-	-	-	25,761	25,761
Public works/public improvements	-	-	-	21,600	-	21,600
Capital outlay	6,661,255	4,777,187	2,282,240	1,341,330	1,094,278	16,156,290
Debt service:						
Principal retirement	119,086	-	-	85,000	678,400	882,486
Interest and fiscal charges	39,821	-	-	46,275	89,428	175,524
Total Expenditures	6,820,162	4,777,187	2,282,240	1,494,205	1,887,867	17,261,661
Revenues (Under) Over Expenditures	(1,674,962)	6,549	914,517	(1,295,803)	(516,943)	(2,566,642)
Other Financing Sources (Uses):						
Transfers in	-	-	1,170,650	-	-	1,170,650
Transfers out	(1,292,650)	(6,549)	-	-	-	(1,299,199)
Inception of capital lease	1,068,113	-	-	-	-	1,068,113
Proceeds from sale of capital assets	4,890	-	-	-	-	4,890
Total Other Financing Sources (Uses)	(219,647)	(6,549)	1,170,650	-	-	944,454
Net Change in Fund Balances	(1,894,609)	-	2,085,167	(1,295,803)	(516,943)	(1,622,188)
Fund Balances:						
Beginning of Year	4,283,150	-	6,886,925	3,519,441	3,122,068	17,811,584
End of Year	\$ 2,388,541	\$ -	\$ 8,972,092	\$ 2,223,638	\$ 2,605,125	\$ 16,189,396

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**Other Supplementary Information**

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**Individual Fund Schedules of Revenues,  
Expenditures and Changes in  
Fund Balances - Budget and Actual**

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**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - STREET MAINTENANCE AND IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Sales	\$ 2,602,717	\$ 2,638,635	\$ 35,918
Gasoline and motor fuel	2,464,500	2,386,886	(77,614)
County road and bridge	1,220,000	1,355,407	135,407
Total Taxes	6,287,217	6,380,928	93,711
 Federal, state and county grants	-	3,766	3,766
Licenses, permits, fines and fees	37,700	59,047	21,347
In-house engineering	275,000	206,131	(68,869)
Interest on investments	-	3,363	3,363
Other	500	59,215	58,715
Total Revenues	6,600,417	6,712,450	112,033
 Expenditures:			
Current:			
General government	1,166,299	949,853	216,446
Public works/public improvements	5,542,678	5,409,001	133,677
Capital outlay	44,489	33,871	10,618
Total Expenditures	6,753,466	6,392,725	360,741
 Revenues (Under) Over Expenditures	(153,049)	319,725	472,774
 Other Financing Sources (Uses):			
Operating transfers in	-	6,549	6,549
Operating transfers out	(33,905)	(33,905)	-
Proceeds from sale of capital assets	4,536	5,456	920
Total Other Financing Sources (Uses)	(29,369)	(21,900)	7,469
 Net Change in Fund Balances	(182,418)	297,825	480,243
 Fund Balances:			
Beginning of Year	2,823,322	2,823,322	-
 End of Year	\$ 2,640,904	\$ 3,121,147	\$ 480,243

**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Federal, state and county grants	\$ 416,219	\$ 255,571	\$ (160,648)
Interest on investments	-	100	100
Other	-	128	128
Total Revenues	416,219	255,799	(160,420)
Expenditures:			
Current:			
General government	130,579	111,745	18,834
Public works/public improvements	221,277	6,794	214,483
Public services	287,546	264,158	23,388
Total Expenditures	639,402	382,697	256,705
Revenues Under Expenditures	(223,183)	(126,898)	96,285
Other Financing Uses:			
Transfers out	(60,963)	(69,612)	(8,649)
Net Change in Fund Balances	(284,146)	(196,510)	87,636
Fund Balances:			
Beginning of Year	3,189,494	3,189,494	-
End of Year	\$ 2,905,348	\$ 2,992,984	\$ 87,636

**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - TAX INCREMENT FINANCING (TIF) DISTRICTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

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	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Property	\$ 4,734,000	\$ 4,370,701	\$ (363,299)
Utility	48,548	48,826	278
Sales	1,082,000	1,171,646	89,646
Total Taxes	5,864,548	5,591,173	(273,375)
Interest on investments	30,000	1,276	(28,724)
Other	25,000	38,363	13,363
Total Revenues	5,919,548	5,630,812	(288,736)
Expenditures:			
Current:			
General government	557,033	526,944	30,089
Debt service:			
Principal retirement	4,092,590	2,317,000	1,775,590
Interest and fiscal charges	573,158	2,102,868	(1,529,710)
Total Expenditures	5,222,781	4,946,812	275,969
Revenues Over Expenditures	696,767	684,000	(12,767)
Other Financing Uses:			
Transfers out	(722,400)	(674,162)	48,238
Net change in fund balances	(25,633)	9,838	35,471
Fund Balances:			
Beginning of Year	1,326,181	1,326,181	-
End of Year	\$ 1,300,548	\$ 1,336,019	\$ 35,471

**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - CONVENTION CENTER OPERATIONS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Intergovernmental revenue from SCCC & SFA	\$ 2,300,600	\$ 3,510,342	\$ 1,209,742
Interest on investments	500	526	26
Total Revenues	<u>2,301,100</u>	<u>3,510,868</u>	<u>1,209,768</u>
Expenditures:			
Current:			
Convention center	646,766	566,333	80,433
Debt service:			
Principal retirement	1,740,000	1,740,000	-
Interest and fiscal charges	655,459	655,459	-
Total Expenditures	<u>3,042,225</u>	<u>2,961,792</u>	<u>80,433</u>
Revenues (Under) Over Expenditures	<u>(741,125)</u>	<u>549,076</u>	<u>1,290,201</u>
Other Financing Sources:			
Transfers in	<u>722,400</u>	<u>674,162</u>	<u>(48,238)</u>
Net Change in Fund Balances	<u>(18,725)</u>	<u>1,223,238</u>	<u>1,241,963</u>
Fund Balances:			
Beginning of Year	<u>3,597,193</u>	<u>3,597,193</u>	<u>-</u>
End of Year	<u>\$ 3,578,468</u>	<u>\$ 4,820,431</u>	<u>\$ 1,241,963</u>

**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - SEWER LATERAL PROGRAM FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

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	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Sewer lateral fee	\$ 355,000	\$ 381,082	\$ 26,082
Interest on investments	-	1,520	1,520
Other	-	335	335
Total Revenues	355,000	382,937	27,937
Expenditures:			
Current:			
General government	517,509	468,435	49,074
Net Change in Fund Balances	(162,509)	(85,498)	77,011
Fund Balances:			
Beginning of Year	1,705,621	1,705,621	-
End of Year	\$ 1,543,112	\$ 1,620,123	\$ 77,011



**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - METROPOLITAN PARKS TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

---

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Sales	\$ 230,000	\$ 219,813	\$ (10,187)
Interest on investments	-	593	593
Total Revenues	230,000	220,406	(9,594)
Expenditures:			
Capital outlay	826,021	341,957	484,064
Net Change in Fund Balances	(596,021)	(121,551)	474,470
Fund Balances:			
Beginning of Year	576,258	576,258	-
End of Year	<u>\$ (19,763)</u>	<u>\$ 454,707</u>	<u>\$ 474,470</u>

**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - PARK FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Property	\$ 3,065,146	\$ 2,769,883	\$ (295,263)
Federal, state and county grants	-	142,013	142,013
Licenses, permits, fines and fees	2,453,260	1,942,519	(510,741)
Interest on investments	2,000	1,622	(378)
Other	62,956	88,954	25,998
Total Revenues	5,583,362	4,944,991	(638,371)
Expenditures:			
Current:			
General government	1,192,427	1,109,363	83,064
Public parks	3,845,031	3,622,525	222,506
Capital outlay	1,579,625	1,458,259	121,366
Total Expenditures	6,617,083	6,190,147	426,936
Revenues Under Expenditures	(1,033,721)	(1,245,156)	(211,435)
Other Financing Sources:			
Proceeds from sale of capital assets	-	4,171	4,171
Net Change in Fund Balances	(1,033,721)	(1,240,985)	(207,264)
Fund Balances:			
Beginning of Year	3,124,974	3,124,974	-
End of Year	\$ 2,091,253	\$ 1,883,989	\$ (207,264)

**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - TOURISM FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

---

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Tourism	\$ 2,358,325	\$ 2,416,321	\$ 57,996
Hotel	260,000	277,614	17,614
Total Taxes	2,618,325	2,693,935	75,610
Federal, state and county grants	200,000	176,263	(23,737)
Sale of advertising	67,000	57,396	(9,604)
Interest on investments	-	2,121	2,121
Other	45,000	87,382	42,382
Total Revenues	2,930,325	3,017,097	86,772
Expenditures:			
Current:			
General government	3,522,897	2,786,502	736,395
Capital outlay	59,000	6,249	52,751
Total Expenditures	3,581,897	2,792,751	789,146
Net Change in Fund Balances	(651,572)	224,346	875,918
Fund Balances:			
Beginning of Year	1,953,307	1,953,307	-
End of Year	\$ 1,301,735	\$ 2,177,653	\$ 875,918

**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - SPECIAL BUSINESS DISTRICT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Property	\$ 33,900	\$ 35,109	\$ 1,209
Licenses, permits, fines, fees and other	16,850	20,281	3,431
Interest on investments	350	1,084	734
Total Revenues	51,100	56,474	5,374
Expenditures:			
Current:			
General government	61,865	20,589	41,276
Capital outlay	43,952	38,076	5,876
Total Expenditures	105,817	58,665	47,152
Net Change in Fund Balances	(54,717)	(2,191)	52,526
Fund Balances:			
Beginning of Year	206,098	206,098	-
End of Year	\$ 151,381	\$ 203,907	\$ 52,526

**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL OBLIGATION DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

---

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Property taxes, including interest and penalties	\$ 1,991,202	\$ 1,926,565	\$ (64,637)
Interest on investments	200	2,449	2,249
Total Revenues	1,991,402	1,929,014	(62,388)
Expenditures:			
Principal retirement	1,175,000	1,175,000	-
Interest and fiscal charges	562,575	418,747	143,828
Bond issue costs	600,000	79,724	520,276
Total Expenditures	2,337,575	1,673,471	664,104
Net Change in Fund Balances	(346,173)	255,543	601,716
Fund Balances:			
Beginning of Year	2,864,286	2,864,286	-
End of Year	<u>\$ 2,518,113</u>	<u>\$ 3,119,829</u>	<u>\$ 601,716</u>

**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Sales	\$ 5,199,650	\$ 5,026,135	\$ (173,515)
Federal, state and county grants	15,650	50,466	34,816
Interest on investments	-	4,017	4,017
Other	63,984	64,582	598
Total Revenues	5,279,284	5,145,200	(134,084)
Expenditures:			
Capital outlay:			
Administrative	1,093,054	782,909	310,145
Community development	29,000	27,703	1,297
Cemetery	-	98,002	(98,002)
Building maintenance	11,053	11,053	-
Street improvements	5,131,305	3,836,553	1,294,752
Fire department	790,318	1,604,339	(814,021)
Police department	568,736	300,696	268,040
Total Capital Outlay	7,623,466	6,661,255	962,211
Debt service:			
Principal retirement	-	119,086	(119,086)
Interest and fiscal charges	-	39,821	(39,821)
Total Debt Service	-	158,907	(158,907)
Revenues Under Expenditures	(2,344,182)	(1,674,962)	669,220
Other Financing Sources (Uses):			
Transfers out	(1,292,650)	(1,292,650)	-
Inception of capital lease	-	1,068,113	1,068,113
Proceeds from sale of capital assets	-	4,890	4,890
Total Other Financing Sources (Uses)	(1,292,650)	(219,647)	1,073,003
Net Change in Fund Balances	(3,636,832)	(1,894,609)	1,742,223
Fund Balances:			
Beginning of Year	4,283,150	4,283,150	-
End of Year	\$ 646,318	\$ 2,388,541	\$ 1,742,223

**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - SPECIAL STREET CONSTRUCTION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

---

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Federal, state and county grants	<u>\$ 24,460,756</u>	<u>\$ 4,783,736</u>	<u>\$ (19,677,020)</u>
Expenditures:			
Capital outlay:			
Street improvements	<u>26,647,620</u>	<u>4,777,187</u>	<u>21,870,433</u>
Revenues (Under) Over Expenditures	(2,186,864)	6,549	2,193,413
Other Financing Uses:			
Transfers out	<u>-</u>	<u>(6,549)</u>	<u>(6,549)</u>
Net Change in Fund Balances	(2,186,864)	-	2,186,864
Fund Balances:			
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u><u>\$ (2,186,864)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,186,864</u></u>

**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - STREET CONSTRUCTION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Gaming	\$ 603,500	\$ 1,873,762	\$ 1,270,262
Interest on investments	-	7,818	7,818
Other	1,248,201	1,315,177	66,976
Total Revenues	<u>1,851,701</u>	<u>3,196,757</u>	<u>1,345,056</u>
Expenditures:			
Capital outlay:			
Street improvements	6,504,212	2,282,240	4,221,972
Total Expenditures	<u>6,504,212</u>	<u>2,282,240</u>	<u>4,221,972</u>
Revenues (Under) Over Expenditures	<u>(4,652,511)</u>	<u>914,517</u>	<u>5,567,028</u>
Other Financing Sources:			
Transfers in	<u>1,170,650</u>	<u>1,170,650</u>	<u>-</u>
Net Change in Fund Balances	<u>(3,481,861)</u>	<u>2,085,167</u>	<u>5,567,028</u>
Fund Balances:			
Beginning of Year	<u>6,886,925</u>	<u>6,886,925</u>	<u>-</u>
End of Year	<u>\$ 3,405,064</u>	<u>\$ 8,972,092</u>	<u>\$ 5,567,028</u>



**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - MAJOR FACILITIES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Gaming	\$ 195,000	\$ 195,000	\$ -
Interest	-	3,402	3,402
Total Revenues	195,000	198,402	3,402
Expenditures:			
Current:			
Public works/public improvements	33,725	21,600	12,125
Capital outlay:			
Building maintenance	288,139	243,130	45,009
Fire department	1,522,732	1,051,121	471,611
Cemetery	1,600	-	1,600
Parks	323,357	47,079	276,278
Total Capital Outlay	2,135,828	1,341,330	794,498
Debt service:			
Principal retirement	85,000	85,000	-
Interest and fiscal charges	46,275	46,275	-
Total Debt Service	131,275	131,275	-
Total Expenditures	2,300,828	1,494,205	806,623
Net Change in Fund Balances	(2,105,828)	(1,295,803)	810,025
Fund Balances:			
Beginning of Year	3,519,441	3,519,441	-
End of Year	\$ 1,413,613	\$ 2,223,638	\$ 810,025

**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - STORMWATER FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

---

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Taxes, including interest and penalties:			
Gaming	\$ 1,368,000	\$ 1,368,000	\$ -
Interest on investments	-	2,915	2,915
Other	-	9	9
Total Revenues	<u>1,368,000</u>	<u>1,370,924</u>	<u>2,924</u>
Expenditures:			
Current:			
General government	70,897	25,761	45,136
Capital outlay	3,265,345	1,094,278	2,171,067
Debt service:			
Principal retirement	678,504	678,400	104
Interest and fiscal charges	<u>89,600</u>	<u>89,428</u>	<u>172</u>
Total Expenditures	<u>4,104,346</u>	<u>1,887,867</u>	<u>2,216,479</u>
Net Change in Fund Balances	(2,736,346)	(516,943)	2,219,403
Fund Balances:			
Beginning of Year	<u>3,122,068</u>	<u>3,122,068</u>	<u>-</u>
End of Year	<u>\$ 385,722</u>	<u>\$ 2,605,125</u>	<u>\$ 2,219,403</u>

**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL OBLIGATION CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

---

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Interest on investments	\$ -	\$ 8,673	\$ 8,673
Expenditures:			
Capital outlay	16,436,009	2,544,657	13,891,352
Debt service:			
Bond issue costs	218,070	102,912	115,158
Total Expenditures	16,654,079	2,647,569	14,006,510
Revenues Under Expenditures	(16,654,079)	(2,638,896)	14,015,183
Other Financing Sources:			
Issuance of debt	16,654,079	16,200,000	(454,079)
Premium on debt issuance	-	466,851	466,851
Total Other Financing Sources	16,654,079	16,666,851	12,772
Net Change in Fund Balances	-	14,027,955	14,027,955
Fund Balances:			
Beginning of Year	-	-	-
End of Year	\$ -	\$ 14,027,955	\$ 14,027,955

**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - NEIGHBORHOOD IMPROVEMENT  
DISTRICT CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Interest on investments	\$ -	\$ 11,501	\$ 11,501
Other	25,000	23,097	(1,903)
Total Revenues	25,000	34,598	9,598
Expenditures:			
Current:			
General government	25,000	23,097	1,903
Capital outlay	17,981,649	14,551,228	3,430,421
Total Expenditures	18,006,649	14,574,325	3,432,324
Revenues Under Expenditures	(17,981,649)	(14,539,727)	3,441,922
Other Financing Sources (Uses):			
Transfers out	(10,078)	(102,249)	(92,171)
Issuance of debt	3,150,000	3,150,000	-
Total Other Financing Sources (Uses)	3,139,922	3,047,751	(92,171)
Net Change in Fund Balances	(14,841,727)	(11,491,976)	3,349,751
Fund Balances:			
Beginning of Year	14,783,956	14,783,956	-
End of Year	\$ (57,771)	\$ 3,291,980	\$ 3,349,751

**CITY OF SAINT CHARLES, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - NEIGHBORHOOD IMPROVEMENT DISTRICT**

**DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Special assessment	\$ 2,913,554	\$ 3,712,448	\$ 798,894
Interest on investments	10,000	10,056	56
Other	-	80	80
Total Revenues	2,923,554	3,722,584	799,030
Expenditures:			
Principal retirement	2,054,385	1,180,000	874,385
Interest and fiscal charges	1,370,177	1,106,770	263,407
Bond issue costs	185,142	252,741	(67,599)
Total Expenditures	3,609,704	2,539,511	1,070,193
Revenues (Under) Over Expenditures	(686,150)	1,183,073	1,869,223
Other Financing Sources (Uses):			
Transfers in	10,078	102,249	92,171
Issuance of debt	9,511,007	8,920,000	(591,007)
Payment to refunding escrow agent	(8,416,730)	(8,416,730)	-
Bond premium	-	46,331	46,331
Bond discount	-	(24,881)	(24,881)
Total Other Financing Sources (Uses)	1,104,355	626,969	(477,386)
Net Change in Fund Balances	418,205	1,810,042	1,391,837
Fund Balances:			
Beginning of Year	6,162,651	6,162,651	-
End of Year	\$ 6,580,856	\$ 7,972,693	\$ 1,391,837

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## **Other Supplementary Information**

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### **Combining Fiduciary Fund Statements And Schedules**

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Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds.

#### **Agency Funds**

Agency funds are used to account for the changes in assets and liabilities related to contractor's guarantee, bail bond deposits and the Mark Twain Mall Transportation Development District (TDD).

**CITY OF SAINT CHARLES, MISSOURI**

**COMBINING STATEMENT OF ASSETS AND LIABILITIES -  
FIDUCIARY (AGENCY) FUNDS  
DECEMBER 31, 2013**

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	<u>Contractors' Guarantee</u>	<u>Bail Bond</u>	<u>Mark Twain Mall TDD</u>	<u>Total</u>
Assets:				
Cash and investments - restricted	<u>\$ 1,039,962</u>	<u>\$ 127,986</u>	<u>\$ 1,393,915</u>	<u>\$ 2,561,863</u>
Liabilities:				
Due to other taxing districts	\$ -	\$ -	\$ 1,393,915	\$ 1,393,915
Deposits payable held in escrow	<u>1,039,962</u>	<u>127,986</u>	<u>-</u>	<u>1,167,948</u>
Total Liabilities	<u>\$ 1,039,962</u>	<u>\$ 127,986</u>	<u>\$ 1,393,915</u>	<u>\$ 2,561,863</u>

**CITY OF SAINT CHARLES, MISSOURI**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
FIDUCIARY (AGENCY) FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
Contractors' Guarantee:				
Assets - cash and investments - restricted	<u>\$ 697,238</u>	<u>\$ 387,152</u>	<u>\$ 44,428</u>	<u>\$ 1,039,962</u>
Liabilities - deposits payable held in escrow	<u>\$ 697,238</u>	<u>\$ 387,152</u>	<u>\$ 44,428</u>	<u>\$ 1,039,962</u>
Bail Bond:				
Assets - cash and investments - restricted	<u>\$ 113,731</u>	<u>\$ 510,579</u>	<u>\$ 496,324</u>	<u>\$ 127,986</u>
Liabilities - deposits payable held in escrow	<u>\$ 113,731</u>	<u>\$ 510,579</u>	<u>\$ 496,324</u>	<u>\$ 127,986</u>
Mark Twain Mall TDD:				
Assets - cash and investments - restricted	<u>\$ 1,093,653</u>	<u>\$ 641,148</u>	<u>\$ 340,886</u>	<u>\$ 1,393,915</u>
Liabilities - due to other taxing districts	<u>\$ 1,093,653</u>	<u>\$ 641,148</u>	<u>\$ 340,886</u>	<u>\$ 1,393,915</u>
Totals - All Agency Funds				
Assets - Cash and investments - restricted	<u>\$ 1,904,622</u>	<u>\$ 1,538,879</u>	<u>\$ 881,638</u>	<u>\$ 2,561,863</u>
Liabilities:				
Due to other taxing units	<u>\$ 1,093,653</u>	<u>\$ 641,148</u>	<u>\$ 340,886</u>	<u>\$ 1,393,915</u>
Deposits payable held in escrow	<u>810,969</u>	<u>897,731</u>	<u>540,752</u>	<u>1,167,948</u>
Total Liabilities	<u>\$ 1,904,622</u>	<u>\$ 1,538,879</u>	<u>\$ 881,638</u>	<u>\$ 2,561,863</u>





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## Part III – Statistical Section

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## **CITY OF SAINT CHARLES, MISSOURI**

### **Statistical Section**

This part of the City of Saint Charles' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

#### **Contents**

#### **Page**

##### **Financial Trends**

These pages contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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##### **Revenue Capacity**

These pages contain information to help the reader assess the City's most significant local revenue sources.

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##### **Debt Capacity**

These pages present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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##### **Demographic and Economic Information**

These pages offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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##### **Operating Information**

These pages contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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**Sources:** Unless otherwise noted, the information in this section is derived from the comprehensive annual financial reports for the relevant year.

# CITY OF SAINT CHARLES, MISSOURI

TABLE 1

## NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (accrual basis of accounting)

	2013	2012 (6)	2011 (5)	2010	2009	2008 (4)	2007 (3)	2006 (2)	2005	2004
Governmental activities										
Net investment in capital assets	\$177,409,123	\$184,592,926	\$183,149,225	\$172,785,636	\$165,520,666	\$158,523,468	\$150,574,557	\$95,771,631	\$87,355,069	\$82,605,233
Restricted for capital projects	2,354,503	4,253,624	5,163,978	3,972,461	3,823,876	4,757,277	5,672,306	5,467,387	10,151,983	21,178,769
Restricted for debt service	27,878,221	31,327,065	18,287,902	4,591,629	4,290,286	3,035,191	3,067,993	2,883,361	2,127,819	2,528,335
Restricted for community development (1)	2,992,984	3,189,494	2,954,022	3,029,660	2,931,204	2,732,953	2,569,850	2,542,706	2,533,295	-
Restricted for DWI drug enforcement (1)	112,580	99,286	83,611	57,181	27,807	114,558	92,382	75,827	172,413	-
Restricted for DAG forfeiture	200,684	242,552	258,227	747,638	898,609	184,967	314,827	349,601	-	-
Restricted for non-expendable permanent fund (cemetery) (1)	233,912	233,912	233,912	233,912	233,912	233,912	233,912	233,912	233,912	-
Restricted for expendable cemetery	341,699	310,193	293,137	-	-	-	-	-	-	-
Restricted for street maintenance and improvement	3,121,147	2,823,322	2,419,506	-	-	-	-	-	-	-
Restricted for sewer lateral projects	1,620,123	1,705,621	1,612,091	-	-	-	-	-	-	-
Restricted for parks	3,391,219	4,577,655	5,444,733	-	-	-	-	-	-	-
Restricted for tourism	2,177,653	1,953,307	1,684,657	-	-	-	-	-	-	-
Restricted for special business district	203,907	206,098	162,025	-	-	-	-	-	-	-
Restricted for other purposes	-	-	-	-	-	-	-	-	-	-
Unrestricted	(14,653,531)	(18,411,089)	(20,394,007)	2,574,957	4,157,966	1,323,395	(2,914,638)	(8,933,197)	12,250	2,704,489
Total governmental activities net assets	\$207,384,224	\$217,103,966	\$201,353,019	\$187,993,074	\$181,884,326	\$170,905,721	\$159,611,189	\$98,391,228	(29,533,564)	(21,621,191)
Business-type activities										
Net investment in capital assets	\$41,519,185	\$37,290,793	\$35,386,348	\$34,729,731	\$35,065,784	\$30,768,229	\$29,419,448	\$27,430,893	\$21,334,662	\$22,048,257
Restricted for capital projects	-	230,570	23,925	116,290	5,504	99,703	162,913	88,991	50,188	14,131
Restricted for debt service	19,007,127	19,210,342	17,436,864	16,366,123	15,527,262	17,431,682	17,786,174	17,273,040	15,469,910	4,704
Unrestricted	\$60,526,312	\$56,731,705	\$52,847,137	\$51,212,144	\$50,598,550	\$48,299,614	\$47,368,535	\$44,792,924	\$36,854,760	\$36,212,714
Total business-type activities net assets	\$111,545,497	\$104,232,830	\$103,619,831	\$106,308,008	\$105,769,638	\$109,497,525	\$106,554,157	\$109,496,857	\$103,649,332	\$102,965,675
Primary government										
Net investment in capital assets	\$218,928,308	\$221,883,719	\$218,535,573	\$207,515,367	\$200,586,450	\$189,291,697	\$179,994,005	\$123,202,524	\$108,689,731	\$104,653,490
Restricted for capital projects	2,354,503	4,253,624	5,163,978	3,972,461	3,823,876	4,757,277	5,672,306	5,467,387	10,151,983	21,192,900
Restricted for debt service	27,878,221	31,557,635	18,311,827	4,707,919	4,295,790	3,134,894	3,230,906	2,972,352	2,178,007	2,533,039
Restricted for community development	2,992,984	3,189,494	2,954,022	3,029,660	2,931,204	2,732,953	2,569,850	2,542,706	2,533,295	-
Restricted for DWI drug enforcement	112,580	99,286	83,611	57,181	27,807	114,558	92,382	75,827	172,413	-
Restricted for DAG forfeiture	200,684	242,552	258,227	747,638	898,609	184,967	314,827	349,601	-	-
Restricted for non-expendable permanent fund (cemetery) (1)	233,912	233,912	233,912	233,912	233,912	233,912	233,912	233,912	233,912	-
Restricted for expendable cemetery	341,699	310,193	293,137	-	-	-	-	-	-	-
Restricted for street maintenance and improvement	3,121,147	2,823,322	2,419,506	-	-	-	-	-	-	-
Restricted for sewer lateral projects	1,620,123	1,705,621	1,612,091	-	-	-	-	-	-	-
Restricted for parks	3,391,219	4,577,655	5,444,733	-	-	-	-	-	-	-
Restricted for tourism	2,177,653	1,953,307	1,684,657	-	-	-	-	-	-	-
Restricted for special business district	203,907	206,098	162,025	-	-	-	-	-	-	-
Restricted for other purposes	-	-	-	-	-	-	-	-	-	-
Unrestricted	4,353,596	799,253	(2,957,143)	18,941,080	19,685,228	18,755,077	14,871,536	8,339,843	12,250	2,704,489
Total primary government net position	\$267,910,536	\$273,835,671	\$254,200,156	\$239,205,218	\$232,482,876	\$219,205,335	\$206,979,724	\$143,184,152	(14,063,654)	(7,475,569)

Notes:

(1) Prior to 2005, amounts restricted for community development, DWI drug enforcement & non-expendable permanent fund were included with restricted for other purposes.

(2) The following prior period adjustments were made in fiscal 2006:

Governmental activities - Unrestricted was increased by \$11,026,579 to recognize revenue previously deferred.

Business-type activities - Invested in capital assets was increased by \$3,891,427 to correct useful lives used to calculate

depreciation for certain assets.

(3) In fiscal year 2007, a \$51,348,361 prior period adjustment was made to retroactively report infrastructure assets, net of accumulated depreciation, as required by GASB 34.

(4) In fiscal year 2008, a \$1,927,731 prior period adjustment was made to remove assets previously capitalized in error.

(5) In fiscal year 2011, GASB 54 was implemented.

(6) In fiscal year 2012, GASB 63 was implemented.

(7) In fiscal year 2013, GASB 65 was implemented.

Source: Basic financial statements

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 2**

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses</b>										
Governmental activities:										
General government										
Public Works/Public Improvements	\$ 16,622,958	\$ 15,414,456	\$ 16,177,153	\$ 16,041,176	\$ 16,153,605	\$ 17,049,390	\$ 13,456,252	\$ 12,980,521	\$ 12,264,139	\$ 12,707,485
Public parks	31,207,775	24,091,753	17,357,806	21,008,643	14,732,825	17,776,765	14,489,421	9,058,329	5,524,332	5,086,080
Public safety	5,007,220	4,253,697	4,361,315	4,473,008	4,206,778	4,255,887	4,382,364	4,092,887	3,833,978	3,485,204
Public services	31,542,620	31,452,633	31,839,473	32,697,181	30,379,874	29,237,521	28,597,157	27,578,308	26,491,860	25,722,755
Convention center	264,158	46,000	187,175	-	-	-	-	-	-	-
Other (1)	1,200,723	2,374,263	1,412,305	1,240,348	1,448,764	989,378	1,357,286	1,209,135	1,370,969	650,473
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	4,324,334	3,401,252	3,977,648	4,116,922	4,353,240	4,565,843	4,741,254	4,841,175	4,956,094	5,141,853
Business-type activities:										
Waterworks	90,169,788	81,034,054	75,312,875	79,577,278	71,275,086	73,874,784	67,023,734	59,760,355	60,249,670	58,404,021
Sanitary sewer	7,217,809	6,334,657	6,951,921	6,681,023	6,245,773	6,076,732	6,211,383	6,134,348	6,199,809	6,106,174
Parking facilities	11,333,119	9,245,514	10,185,096	8,036,718	6,657,857	6,837,920	6,928,296	6,408,356	6,790,298	6,680,950
Total business-type activities expenses	400,769	401,365	411,109	453,444	420,193	388,980	384,501	372,060	365,542	362,208
Total primary government expenses	18,951,697	15,981,536	17,548,126	15,171,185	13,323,823	13,303,632	13,524,180	12,914,764	13,355,649	13,149,332
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 1,151,472	\$ 1,371,037	\$ 1,088,839	\$ 949,742	\$ 910,880	\$ 1,310,877	\$ 1,541,834	\$ 2,973,874	\$ 1,305,823	\$ 742,351
Public Works/Public Improvements	618,711	684,680	714,751	622,901	756,077	672,175	786,834	470,819	773,398	682,122
Public parks	2,031,473	2,268,580	2,266,663	2,277,489	2,124,967	2,059,550	1,961,797	1,909,491	1,970,303	1,769,126
Public safety	2,479,109	2,328,620	2,292,945	2,445,638	2,228,689	2,188,940	1,892,496	2,064,277	2,033,627	2,003,608
Other	-	-	-	-	-	-	-	-	23,469	35,686
Operating grants and contributions	7,859,788	7,301,044	6,529,503	6,927,969	6,008,150	5,916,646	6,273,362	6,325,740	5,532,089	4,109,957
Capital grants and contributions	8,059,608	23,132,565	15,775,120	12,733,907	9,055,250	9,003,700	3,991,851	3,442,547	5,591,847	4,794,830
Total governmental activities program revenues	22,200,161	37,086,526	28,667,821	25,957,646	21,084,013	21,151,888	16,448,174	17,186,748	17,230,556	14,137,680
Business-type activities:										
Charges for services:										
Waterworks	8,221,611	8,078,214	7,478,099	6,466,303	5,671,106	5,603,871	6,038,674	5,995,693	5,634,814	4,956,341
Sanitary sewer	10,741,851	9,549,837	9,353,447	8,388,128	6,958,917	6,540,055	6,542,328	6,597,421	6,261,207	5,875,342
Parking facilities	156,760	172,224	161,822	187,138	194,711	187,626	209,552	190,299	212,588	209,740
Operating grants and contributions	-	-	-	-	(330)	6,597	12,106	9,093	-	-
Capital grants and contributions	3,070,434	657,506	256,884	870,317	2,787,506	1,118,705	2,268,138	1,197,933	853,836	1,099,464
Total business-type activities program revenues	22,190,656	18,457,781	17,250,252	15,911,886	15,611,910	13,456,854	15,070,798	13,990,439	12,962,445	12,140,887
Total primary government program revenues	\$ 44,390,817	\$ 55,544,307	\$ 45,918,073	\$ 41,869,532	\$ 36,695,923	\$ 34,608,742	\$ 31,518,972	\$ 31,177,187	\$ 30,193,001	\$ 26,278,567

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 2**

**CHANGES IN NET POSITION (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
 (accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (67,969,627)	\$ (43,947,528)	\$ (46,645,054)	\$ (53,619,632)	\$ (50,191,073)	\$ (52,722,896)	\$ (50,575,560)	\$ (42,573,607)	\$ (43,019,114)	\$ (44,266,341)
Business-type activities	3,238,959	2,476,245	(297,874)	740,701	2,288,087	153,222	1,546,618	1,075,675	(393,204)	(1,008,445)
Total primary government net expense	\$ (64,730,668)	\$ (41,471,283)	\$ (46,942,928)	\$ (52,878,931)	\$ (47,902,986)	\$ (52,569,674)	\$ (49,028,942)	\$ (41,497,932)	\$ (43,412,318)	\$ (45,274,786)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	\$ 6,849,854	\$ 6,674,664	\$ 6,643,742	\$ 6,682,310	\$ 6,742,004	\$ 7,022,380	\$ 6,743,625	\$ 6,291,682	\$ 6,001,042	\$ 5,624,480
Property taxes levied for parks	2,945,983	2,971,445	2,956,981	2,946,761	2,980,602	3,105,543	2,987,271	2,786,472	2,657,945	2,503,956
Property taxes levied for debt service	2,049,073	2,066,891	2,056,881	2,042,879	2,066,835	2,154,350	2,070,976	1,835,025	1,741,973	1,472,780
Sales taxes levied for general purposes	10,493,257	10,402,644	10,460,042	9,671,590	10,049,380	10,463,377	10,602,423	10,091,802	10,177,180	9,900,684
Sales taxes levied for capital improvements	5,026,135	4,957,456	4,958,750	4,641,048	4,805,399	5,010,007	5,080,299	4,823,380	4,899,236	4,775,872
Gaming taxes	12,310,262	13,155,684	13,417,478	13,904,213	15,050,008	14,830,073	14,849,193	15,691,542	16,302,297	16,710,022
Utility taxes	8,347,125	8,095,724	8,574,604	9,026,740	8,957,678	11,088,264	6,382,162	6,140,414	6,357,907	6,150,685
Tourism and hotel taxes	2,693,935	2,615,312	2,422,571	2,314,842	2,268,308	2,369,517	2,228,276	2,107,564	1,898,118	1,739,484
Other taxes	1,924,161	1,718,106	1,675,028	1,654,360	1,624,282	1,597,054	1,564,143	1,489,386	1,464,606	1,471,799
TIF revenues	5,629,536	5,929,785	5,900,961	5,518,594	5,195,093	5,328,202	4,142,416	3,975,931	3,182,962	3,115,799
Earnings on investments	164,159	209,050	361,132	834,275	957,553	3,044,142	3,368,267	2,722,706	1,336,443	879,108
Gain on sale of capital assets	-	57,246	-	-	-	9,555	-	41,893	74,317	-
Other revenues	294,044	324,468	80,829	23,048	22,536	74,695	20,109	39,323	76,170	14,491
Transfers	613,810	520,000	496,000	467,720	450,000	(152,000)	408,000	(1,152,041)	247,277	(347,200)
Special Item - transfer of convention center assets	-	-	-	-	-	-	-	-	(27,740,817)	-
Total governmental activities	59,341,334	59,698,475	60,004,999	59,728,380	61,169,678	65,945,159	60,447,160	56,885,079	28,676,656	54,011,960
Business-type activities:										
Earnings on investments	15,885	23,920	69,925	15,612	21,771	288,691	1,094,770	1,431,913	964,169	412,287
Gain on sale of capital assets	-	900	-	3,916	109,356	6,905	-	4,612	1,660	4,100
Other revenues	2,051,501	1,903,503	2,358,942	321,085	329,722	330,261	342,223	382,496	316,698	265,118
Transfers	(613,810)	(520,000)	(496,000)	(467,720)	(450,000)	152,000	(408,000)	1,152,041	(247,277)	347,200
Total business-type activities	1,453,576	1,408,323	1,932,867	(127,107)	10,849	777,857	1,028,993	2,971,062	1,035,250	1,028,705
Total primary government	\$ 60,794,910	\$ 61,106,798	\$ 61,937,866	\$ 59,601,273	\$ 61,180,527	\$ 66,723,016	\$ 61,476,153	\$ 59,856,141	\$ 29,711,906	\$ 55,040,665

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 2**

**CHANGES IN NET POSITION (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
 (accrual basis of accounting)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Change in Net Position</b>										
Governmental activities	\$ (8,628,293)	\$ 15,750,947	\$ 13,359,945	\$ 6,108,748	\$ 10,978,605	\$ 13,222,263	\$ 9,871,600	\$ 14,311,472	\$ (14,342,458)	\$ 9,745,619
Business-type activities	4,692,535	3,884,568	1,634,993	613,594	2,298,936	931,079	2,575,611	4,046,737	642,046	20,260
Total primary government	\$ (3,935,758)	\$ 19,635,515	\$ 14,994,938	\$ 6,722,342	\$ 13,277,541	\$ 14,153,342	\$ 12,447,211	\$ 18,358,209	\$ (13,700,412)	\$ 9,765,879
<b>Total Primary Government Net Position</b>										
Governmental activities										
Net position, beginning	\$ 217,103,966	\$ 201,353,019	\$ 187,993,074	\$ 181,884,326	\$ 170,905,721	\$ 159,611,189	\$ 98,391,228	\$ 73,053,177	\$ 87,395,635	\$ 77,650,016
Prior period adjustment	(1,091,449)	-	-	-	-	(1,927,731)	51,348,361	11,026,579	-	-
Net position, beginning, as restated	216,012,517	201,353,019	187,993,074	181,884,326	170,905,721	157,683,458	149,739,589	84,079,756	87,395,635	77,650,016
Net position, ending	207,384,224	217,103,966	201,353,019	187,993,074	181,884,326	170,905,721	159,611,189	98,391,228	73,053,177	87,395,635
Business activities										
Net position, beginning	56,731,705	52,847,137	51,212,144	50,598,550	48,299,614	47,368,535	44,792,924	36,854,760	36,212,714	36,192,454
Prior period adjustment	(897,928)	-	-	-	-	-	-	3,891,427	-	-
Net position, beginning, as restated	55,833,777	52,847,137	51,212,144	50,598,550	48,299,614	47,368,535	44,792,924	40,746,187	36,212,714	36,192,454
Net position, ending	60,526,312	56,731,705	52,847,137	51,212,144	50,598,550	48,299,614	47,368,535	44,792,924	36,854,760	36,212,714
<b>Total primary government net position</b>	\$ 267,910,536	\$ 273,835,671	\$ 254,200,156	\$ 239,205,218	\$ 232,482,876	\$ 219,205,335	\$ 206,979,724	\$ 143,184,152	\$ 109,907,937	\$ 123,608,349

(1) Prior to 2006, governmental expenses related to governmental activities are classified by object of expenditure rather than by function.

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 3**

**FUND BALANCES, GOVERNMENT FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

	Fiscal Year									
	2013	2012	2011 (1)	2010	2009	2008	2007	2006	2005	2004
General Fund										
Reserved for encumbrances	\$ -	\$ -	\$ -	\$ 1,758,813	\$ 1,699,213	\$ 801,753	\$ 691,694	\$ 508,080	\$ 716,175	\$ 398,940
Reserved for DWI drug enforcement	-	-	-	57,181	27,807	114,558	92,382	75,827	172,413	149,421
Reserved for DAG forfeiture	-	-	-	747,638	898,609	184,967	314,827	349,601	-	-
Reserved for gaming	-	-	-	-	-	1,733,000	528,000	528,000	478,000	50,000
Reserved for tree bank	-	-	-	12,250	12,250	12,250	12,250	12,250	-	-
Unreserved	-	-	-	12,890,004	16,432,806	19,318,783	17,101,306	15,962,398	13,023,487	10,472,799
Restricted for DAG forfeiture	200,684	242,552	258,227	-	-	-	-	-	-	-
Restricted for DWI recoupment	112,580	99,286	83,611	-	-	-	-	-	-	-
Assigned for encumbrances	95,462	283,950	952,817	-	-	-	-	-	-	-
Assigned for capital projects	-	-	-	-	-	-	-	-	-	-
Assigned for redevelopment	835,746	737,927	735,689	-	-	-	-	-	-	-
Assigned for beautification	32,852	51,817	75,908	-	-	-	-	-	-	-
Unassigned	11,054,212	10,804,086	11,018,881	-	-	-	-	-	-	-
Total General Fund	\$ 12,331,536	\$ 12,219,618	\$ 13,125,133	\$ 15,465,886	\$ 19,070,685	\$ 22,165,311	\$ 18,740,459	\$ 17,436,156	\$ 14,402,325	\$ 11,071,160
All Other Governmental Funds										
Reserved for encumbrances	\$ -	\$ -	\$ -	\$ 7,367,150	\$ 8,968,841	\$ 5,399,514	\$ 10,630,516	\$ 4,372,696	\$ 8,889,901	\$ 8,790,646
Reserved for advance to state	-	-	-	-	-	-	-	-	-	-
Reserved for capital projects	-	-	-	-	13,928,432	14,773,233	13,352,255	17,515,589	15,298,731	18,369,262
Reserved for home improvement loans	-	-	-	3,029,660	2,931,204	2,732,953	2,569,850	2,542,706	2,533,295	2,321,156
Reserved for debt service	-	-	-	4,656,435	9,035,919	8,614,852	7,830,920	7,940,449	6,967,471	6,051,171
Reserved for future purchase of cemetery land	-	-	-	233,912	233,912	233,912	233,913	233,912	233,912	233,912
Reserved for advances to other funds	-	-	-	-	-	-	85,000	170,000	215,000	345,000
Unreserved, reported in										
Special revenue funds	-	-	-	13,528,108	16,607,381	16,996,239	16,033,029	15,098,792	14,517,869	12,883,747
Permanent fund	1,620,123	1,705,621	1,612,091	260,707	246,180	235,089	223,078	202,254	167,036	143,567
Debt service funds	-	-	-	5,795,906	-	-	-	-	-	-
Capital projects funds	-	-	-	15,242,202	(1,202,763)	(302,292)	(2,201,501)	(76,345)	-	-
Nonspendable - cemetery	233,912	233,912	233,912	-	-	-	-	-	-	-
Restricted for street maintenance and improvement	3,121,147	2,823,322	2,419,506	-	-	-	-	-	-	-
Restricted for community development	2,992,984	3,189,494	2,954,022	-	-	-	-	-	-	-
Restricted for TIF projects and debt obligations	1,336,019	1,326,181	1,074,647	-	-	-	-	-	-	-
Restricted for debt service	16,500,750	13,211,927	10,950,939	-	-	-	-	-	-	-
Restricted for sewer lateral projects	1,620,123	1,705,621	1,612,091	-	-	-	-	-	-	-
Restricted for parks	2,338,696	3,701,232	4,676,748	-	-	-	-	-	-	-
Restricted for capital projects	19,708,476	19,067,106	11,660,025	-	-	-	-	-	-	-
Restricted for cemetery	341,699	310,193	293,137	-	-	-	-	-	-	-
Restricted for tourism	2,177,653	1,953,307	1,684,657	-	-	-	-	-	-	-
Restricted for special business district	203,907	206,098	162,025	-	-	-	-	-	-	-
Assigned for capital projects	13,213,058	12,940,637	13,517,281	-	-	-	-	-	-	-
Total all other governmental funds	\$ 63,788,424	\$ 60,669,030	\$ 51,238,990	\$ 50,114,080	\$ 50,749,106	\$ 48,683,500	\$ 48,757,060	\$ 48,000,053	\$ 48,823,215	\$ 49,138,461

(1) In fiscal year 2011, GASB 54 was implemented.

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 4**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenues</b>										
Taxes, including interest and penalties	\$ 60,872,768	\$ 61,400,967	\$ 61,212,849	\$ 61,356,596	\$ 62,278,994	\$ 66,878,840	\$ 59,362,295	\$ 58,746,868	\$ 57,732,529	\$ 56,729,806
Special assessment	3,712,448	2,384,307	1,642,197	1,086,640	1,083,905	909,138	908,908	1,158,113	267,515	-
Federal, state and county grants	5,583,739	3,601,101	3,938,224	4,933,184	2,524,373	4,368,070	2,736,602	3,133,011	5,599,826	3,762,773
Intergovernmental revenue from Saint Charles										
County Convention & Sports Authority	3,510,342	2,383,662	2,253,447	1,580,738	1,444,504	1,154,117	1,236,836	1,865,412	1,451,851	1,379,989
Licenses, permits, fines and fees	6,025,349	6,276,097	5,980,995	6,113,807	5,931,392	6,250,179	6,096,228	7,302,296	6,016,817	5,122,260
Interest on investments	164,160	209,050	361,132	834,274	957,784	3,047,756	3,384,901	2,492,724	1,344,486	880,484
Other	2,529,252	2,759,876	1,086,134	986,299	1,661,119	828,403	986,454	1,152,386	734,792	694,296
Total revenues	82,398,058	79,015,060	76,474,978	76,891,538	75,882,071	83,436,503	74,712,224	75,850,810	73,147,816	68,569,608
<b>Expenditures</b>										
Current:										
General government										
Public Works/Public improvements	13,807,636	14,057,815	13,760,082	14,762,712	14,947,595	13,515,232	13,079,995	12,378,037	11,659,958	11,797,360
Public parks	6,219,296	5,644,952	6,122,440	6,211,586	5,921,164	5,810,181	5,833,992	4,997,836	4,984,276	4,904,529
Public safety	3,622,525	3,447,249	4,133,464	3,445,619	3,336,809	3,370,417	3,237,995	3,132,165	3,102,441	2,832,115
Public services	29,129,034	29,048,261	29,362,809	29,425,907	28,699,215	28,114,149	27,132,027	26,282,106	25,205,711	24,681,921
Convention Center	264,158	46,000	187,175	219,961	44,315	154,403	119,701	88,501	-	-
Other	566,333	1,581,963	690,382	409,286	778,555	241,561	288,411	376,766	901,031	650,473
Capital outlay										
Debt service	35,441,637	26,304,127	21,998,515	25,531,600	13,835,331	23,811,682	12,071,848	17,722,836	26,284,138	44,238,277
Principal retirement	7,294,486	6,802,471	5,971,600	4,619,900	5,800,000	5,480,000	7,763,000	5,284,000	4,338,000	3,516,000
Interest and fiscal charges	4,459,368	3,926,834	5,472,574	5,002,712	3,852,126	3,451,117	3,606,547	3,314,774	3,394,090	4,222,508
Advance refunding escrow agent	-	-	-	-	-	508,389	-	465,681	-	132,861
Bond defeasance	-	-	942,700	989,402	-	-	-	-	-	-
Bond issue costs	435,377	589,398	171,537	104,419	23,049	67,280	-	105,426	180,838	99,562
Total expenditures	101,239,850	91,449,070	88,813,278	90,723,104	77,238,159	84,524,411	73,133,516	74,151,368	80,050,483	97,075,606
Excess of revenues over (under) expenditures	(18,841,792)	(12,434,010)	(12,338,300)	(13,831,566)	(1,356,088)	(1,087,908)	1,578,708	1,699,442	(6,902,667)	(28,505,998)
<b>Other Financing Sources (Uses)</b>										
Transfers in	2,793,937	1,786,763	1,235,102	1,382,169	3,288,287	2,020,240	2,095,987	960,212	1,549,344	2,820,059
Transfers out	(2,180,127)	(1,266,763)	(1,139,102)	(690,871)	(2,838,287)	(1,862,240)	(1,687,987)	(572,212)	(1,179,344)	(3,167,259)
Proceeds from sale of capital assets	49,610	138,113	1,191,087	30,064	21,650	51,200	74,602	60,707	85,255	858,485
Issuance of debt	28,270,000	46,490,000	9,860,000	8,815,000	5,322,700	4,230,000	-	10,930,000	22,495,000	5,955,000
Premium (discount) on debt issuance	488,301	573,864	(24,630)	(11,145)	(62,282)	-	-	-	-	-
Payments to escrow agent	(8,416,730)	(27,961,300)	-	66,524	(5,405,000)	-	-	(10,867,480)	-	(2,206,341)
Inception of capital lease	1,068,113	1,197,858	-	-	-	-	-	-	-	-
Delivery to trustee of refunded tax increment financing notes	-	-	-	-	-	-	-	-	(14,590,000)	-
Total other financing sources (uses)	22,073,104	20,958,535	11,122,457	9,591,741	327,068	4,439,200	482,602	511,227	8,360,255	4,259,944
Net change in fund balances	\$ 3,231,312	\$ 8,524,525	\$ (1,215,843)	\$ (4,239,825)	\$ (1,029,020)	\$ 3,351,292	\$ 2,061,310	\$ 2,210,669	\$ 1,457,588	\$ (24,246,054)
Debt service as a percentage of noncapital expenditures	13.9%	13.7%	15.9%	12.8%	14.4%	12.6%	18.6%	15.2%	14.4%	14.6%



**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 5**

**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

Fiscal Year	Property	Sales & Use	(1) Gaming	Utility	TIF Revenue	Cigarette	Financial Institution	Gasoline and Motor Fuel	County Road and Bridge	Hotel Tax	Franchise	Tourism	Total
2013	\$ 11,137,526	\$ 15,770,242	\$ 12,310,262	\$ 8,347,125	\$ 5,591,173	\$ 435,944	\$ 11,243	\$ 2,386,886	\$ 1,355,407	\$ 277,614	\$ 853,175	\$ 2,338,114	\$ 60,814,711
2012	11,287,795	15,517,651	13,155,684	8,095,725	5,871,222	388,798	12,144	2,367,826	1,272,245	269,747	816,565	2,345,565	61,400,967
2011	10,586,078	15,622,986	13,417,479	8,574,604	5,785,805	392,983	13,034	2,287,177	1,355,046	253,668	755,086	2,168,903	61,212,849
2010	11,304,577	14,536,763	13,904,213	9,026,740	5,518,594	380,702	6,940	2,308,813	1,340,694	239,892	713,718	2,074,950	61,356,596
2009	10,998,183	15,084,198	15,050,008	8,957,678	5,195,093	412,429	5,031	2,242,035	1,411,602	226,753	654,430	2,041,554	62,278,994
2008	12,870,722	15,704,898	14,830,073	11,088,264	5,328,202	469,726	22,916	2,321,477	1,308,543	251,398	564,502	2,118,119	66,878,840
2007	11,030,424	15,923,961	14,849,196	6,382,162	4,142,418	474,339	-	2,547,037	1,265,309	231,575	519,173	1,996,701	59,362,295
2006	11,004,215	15,134,965	15,691,542	6,140,413	3,975,932	486,653	12,258	2,536,417	1,167,498	211,498	489,411	1,896,066	58,746,868
2005	10,228,748	15,304,580	16,302,297	6,357,907	3,182,961	471,555	17,874	2,480,639	1,038,974	156,048	448,867	1,742,070	57,732,520
2004	9,702,857	14,892,621	16,710,022	6,150,685	3,115,799	456,516	24,954	2,512,496	1,005,356	122,061	419,016	1,617,423	56,729,806

Change

2004 - 2013	114.8%	105.9%	73.7%	135.7%	179.4%	95.5%	45.1%	95.0%	134.8%	227.4%	203.6%	144.6%	107.2%
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(1) All gaming revenue is generated from Ameristar Casino.

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 6**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

Tax Year	Residential Property	Commercial Property	Agriculture Property	Railroad & Utility	Personal Property	Total Taxable Assessed Value	Estimated Actual Value	Direct Tax Rate	Ratio of Total Assessed Value To Total Estimated Actual Value
2013	\$ 705,599,212	\$ 315,040,329	\$ 489,988	\$ 21,733,469	\$ 196,499,173	\$ 1,239,362,171	\$ 5,357,617,604	0.9312	23.13%
2012	738,240,318	322,676,034	656,124	20,978,772	196,991,330	1,279,542,578	5,553,870,535	0.9115	23.04%
2011	733,852,043	323,461,920	653,290	21,171,141	181,990,894	1,261,129,288	5,488,737,958	0.9115	22.98%
2010	758,761,538	342,651,221	593,025	19,346,048	181,778,989	1,303,130,821	5,673,187,810	0.8810	22.97%
2009	749,185,440	341,987,961	526,827	18,770,116	189,558,308	1,300,028,652	5,641,794,749	0.8810	23.04%
2008	785,615,061	354,375,239	593,793	17,982,345	196,830,377	1,355,396,815	5,892,270,257	0.8810	23.00%
2007	762,678,070	333,093,697	593,059	18,168,191	188,346,470	1,302,879,487	5,680,119,214	0.8810	22.94%
2006	656,689,032	290,876,405	600,306	16,984,897	186,253,727	1,151,404,367	4,980,575,577	0.9200	23.12%
2005	629,094,900	277,500,190	828,889	16,813,040	174,860,426	1,099,097,445	4,760,717,286	0.9200	23.09%
2004	531,818,900	244,117,266	647,844	16,182,747	167,852,241	960,618,998	4,119,969,620	0.9700	23.32%

Notes: Property is reassessed once every two years. Property is subclassified for purposes of assessment as follows:

- Residential Real Property - 19% of true value
- Commercial Real Property - 32% of true value
- Agriculture Real Property - 12% of productivity value
- Railroad & Utility - 33 1/3% of productivity value
- Personal Property - 33 1/3% of book value

Estimated actual taxable value is calculated by dividing taxable assessed value by these percentages. Tax rates are per \$100 of assessed value.  
The figures reflect assessed valuation following Board of Equalization Review, but are not year end final figures.

Source: Assessed valuations are from the office of the Saint Charles County Clerk.

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 7**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(Per \$100 of Assessed Valuation)**

Tax Year	City of Saint Charles Direct Tax Rates					Overlapping Tax Rates				
	School Districts(1)					Saint Charles				Saint Charles Community College
	General Operating	Parks Operating	Debt Service	Total Direct	Orchard Farm	Saint Charles	Francis Howell	County (2)	Others(3)	
2013	0.5380	0.2319	0.1613	0.9312	4.8344	5.1359	5.3848	0.2041	0.2196	0.5980
2012	0.5183	0.2319	0.1613	0.9115	4.6801	4.9849	5.1829	0.2041	0.2196	0.5746
2011	0.5183	0.2319	0.1613	0.9115	4.7576	4.8419	5.1352	0.2041	0.2196	0.5690
2010	0.5000	0.2250	0.1560	0.8810	4.6175	4.5562	4.5968	0.2041	0.2196	0.5518
2009	0.5000	0.2250	0.1560	0.8810	4.6134	4.5200	4.7291	0.2041	0.2196	0.5518
2008	0.5000	0.2250	0.1560	0.8810	4.4590	4.3000	4.4541	0.2045	0.2094	0.5249
2007	0.5000	0.2250	0.1560	0.8810	4.4251	4.3700	4.4522	0.2045	0.2094	0.5217
2006	0.5270	0.2370	0.1560	0.9200	4.6184	4.4700	4.7176	0.2173	0.2196	0.5541
2005	0.5270	0.2370	0.1560	0.9200	4.6184	4.4700	4.7168	0.2178	0.2196	0.5541
2004	0.5650	0.2550	0.1500	0.9700	4.6823	4.5700	5.0420	0.2290	0.2318	0.5922

Notes:

- (1) The City is served by three school districts. While all three school districts overlap the City, none of the school districts overlap another school district.
- (2) In addition to the tax rate shown, there is a \$.53 tax rate (surcharge) imposed on all Real Estate Sub-Class 3, Commercial properties located in Saint Charles County.
- (3) Includes the tax rate for Saint Charles County Ambulance District, Developmental Disabilities Board, Saint Charles County Dispatch & Alarm Agency, Saint Charles County Library District and State of Missouri.

Source: Tax rates provided by respective taxing districts and office of the Saint Charles County Registrar or Collector.

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 8**

**PRINCIPAL PROPERTY TAXPAYERS (1)  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2013			2004		
	Assessed Value	Rank	Percentage of Total Assessed Valuation(2)	Assessed Value	Rank	Percentage of Total Assessed Valuation(3)
Ameristar Casino St. Charles, Inc.	\$ 93,699,825	1	7.56%	\$ 57,882,877	1	6.03%
Boeing Company	15,823,851	2	1.28%	10,710,804	2	1.11%
Greater Missouri Builders, Inc.				10,073,520	3	1.05%
Sterling Sun Valley Apartments NF LLC	6,039,875	3	0.49%	5,749,050	4	0.60%
Mullenix St. Charles Properties, LP	5,536,176	4	0.45%	4,297,800	6	0.45%
CAPLACO Fourteen, Inc. Dierbergs Properties	5,440,370	5	0.44%	5,500,320	5	0.57%
RREEF Villages of Bogey Hills LP	4,783,920	6	0.39%	4,048,900	8	0.42%
Wal-Mart Real Estate Business	4,600,880	7	0.37%			
Remington Apartments Association LP	4,116,217	8	0.33%	4,099,470	7	0.43%
Fedex Freight	3,714,654	9	0.30%			
Sysco Food Services of St. Louis	3,630,840	10	0.29%			
Boulders @ Katy Trail (Apartments)				3,297,350	9	0.34%
Capeit Sunbrook Limited Partnership (Apartments)				2,995,930	10	0.31%
	<u>\$ 147,386,608</u>		<u>11.90%</u>	<u>\$ 108,656,021</u>		<u>11.31%</u>

Notes:

(1) Excludes the assessed value of properties within tax increment financing redevelopment areas.

(2) Based on 2013 assessed valuation equal to \$1,232,138,893.

(3) Based on 2004 assessed valuation equal to \$960,618,998.

Source: Assessed valuations are from the St. Charles County Assessor's office.

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 9**

**PRINCIPAL TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Tax Year	Total Tax Levy	Collected within the		Collections		Total Collections to Date	
		Fiscal Year of the Levy		in Subsequent		Amount	
		Amount	Percentage of Levy	Years		Amount	Percentage of Levy
2013	\$ 11,230,946	\$ 5,596,231	49.8%	-	\$	5,596,231	49.8%
2012	12,130,235	4,811,622	39.7%	6,142,838		10,954,460	90.3%
2011	11,846,995	2,100,792	17.7% (1)	8,655,314		10,756,106	90.8%
2010	11,884,272	5,474,981	46.1%	5,456,832		10,931,813	92.0%
2009	11,865,600	5,929,525	50.0%	4,945,697		10,875,222	91.7%
2008	12,401,366	6,100,874	49.2%	6,092,364		12,193,238	98.3%
2007	11,851,124	4,586,793	38.7%	7,008,798		11,595,591	97.8%
2006	10,965,676	4,739,301	43.2%	6,042,799		10,782,100	98.3%
2005	10,446,361	5,011,029	48.0%	5,165,441		10,176,470	97.4%
2004	9,621,878	4,612,418	47.9%	4,823,840		9,436,258	98.1%

Note - Per State Statute, Uncollected Personal Property Tax is written-off after five years.

(1) County's conversion to a new software system resulted in bills going out late and Collections being delayed until January 2012.

Source: Saint Charles County Collector

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 10**

**DIRECT AND OVERLAPPING SALES TAX RATES  
LAST TEN FISCAL YEARS**

Fiscal Year	City Direct Rate	Saint Charles County	Metropolitan Park Tax	Children & Family Services	State of Missouri	Total Sales Tax
2013	1.50%	1.50%	0.10%	0.1250%	4.2250%	7.4500%
2012	1.50%	1.50%	0.10%	0.1250%	4.2250%	7.4500%
2011	1.50%	1.50%	0.10%	0.1250%	4.2250%	7.4500%
2010	1.50%	1.45%	0.10%	0.1250%	4.2250%	7.4000%
2009	1.50%	1.45%	0.10%	0.1250%	4.2250%	7.4000%
2008	1.50%	1.45%	0.10%	0.1250%	4.2250%	7.4000%
2007	1.50%	1.45%	0.10%	0.1250%	4.2250%	7.4000%
2006	1.50%	1.50%	0.10%	0.1250%	4.2250%	7.4500%
2005	1.50%	1.50%	0.10%	0.1250%	4.2250%	7.4500%
2004	1.50%	1.50%	0.10%	-	4.2250%	7.3250%

Note: The city sales tax rate may be changed only with voter approval. State law exempts certain food sales from 3% of state sales tax.

Source: City Finance Department and Missouri Department of Revenue

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 11**

**SALES TAX COLLECTIONS BY YEAR  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General 1% City Sales Tax</b>	<b>Capital Improvement Sales Tax 0.50%</b>
2013	\$ 10,554,540	\$ 5,026,135
2012	10,373,147	4,957,456
2011	10,428,256	4,958,750
2010	9,671,590	4,641,048
2009	10,044,195	4,805,399
2008	10,432,771	5,010,007
2007	10,439,789	5,020,028
2006	9,955,218	4,771,449
2005	10,135,744	4,885,349
2004	9,895,816	4,775,872

Source: Basic financial statements and notes to the financial statements.

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 12**

**RATIOS OF OUTSTANDING DEBT BY TYPE (1)  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Business-Type Activities				
	General Obligation Bonds	Special Assessment Bonds	Notes Payable	Certificates of Participation	Tax Increment Notes	Leasehold Revenue		Certificates of Participation	Total	Debt Per Capita(2)
						Bonds	Bonds			
2013	\$ 22,450,000	\$ 48,910,000	\$ 2,109,613	\$ 28,248,600	\$ 16,221,000	\$ -	\$ -	\$ 123,281,400	\$ 241,220,613	3,629.40
2012	7,425,000	46,030,000	1,160,587	30,752,000	18,538,000	-	-	126,033,000	229,938,587	3,459.65
2011	8,560,000	28,565,000	-	31,265,200	20,685,000	-	-	128,724,800	217,800,000	3,270.37
2010	10,485,000	19,280,000	-	34,161,800	22,125,000	-	30,110,000	131,083,200	247,245,000	3,757.87
2009	12,385,000	12,140,000	-	29,255,000	23,679,000	5,405,000	48,710,000	1,780,000	133,354,000	2,071.16
2008	13,135,000	12,605,000	-	30,000,000	26,984,000	5,940,000	49,540,000	3,020,000	141,224,000	2,225.33
2007	14,740,000	11,015,000	-	30,630,000	27,559,000	6,445,000	50,325,000	4,240,000	144,954,000	2,317.89
2006	15,775,000	11,200,000	-	31,115,000	30,137,000	9,925,000	51,070,000	5,440,000	154,662,000	2,498.82
2005	16,355,000	11,200,000	-	31,460,000	32,596,000	11,610,000	51,780,000	6,620,000	161,621,000	2,642.72
2004	17,080,000	3,295,000	-	31,530,000	34,469,000	13,280,000	52,465,000	7,785,000	159,904,000	2,611.83

Notes:

(1) Total and per capita personal income are unavailable for the City for 2013.

(2) See table 17 for population data. Debt per capita in 2013 is based on 2012 population since 2013 estimated population was not available.

Source: Details regarding the City's outstanding debt can be found in the note to the financial statements.



**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 13**

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Obligation</b>		<b>Fund Balance Debt Service Fund</b>	<b>Net General Bonded Debt</b>	<b>Percentage of Actual Taxable Value of</b>	
	<b>Bonds And Special Assessment Bonds</b>	<b>Bonds</b>			<b>Property (1)</b>	<b>Debt Per Capita (2)</b>
2013	\$	71,290,000	\$	\$	4.86%	\$ 905.73
2012		53,455,000		44,428,064	3.47%	\$ 668.46
2011		37,125,000		30,754,219	2.44%	\$ 467.43
2010		29,765,000		23,969,094	1.84%	\$ 364.31
2009		24,525,000		19,214,657	1.48%	\$ 297.92
2008		25,740,000		21,778,308	1.61%	\$ 342.19
2007		25,755,000		22,086,371	1.70%	\$ 352.28
2006		26,975,000		23,712,666	2.06%	\$ 382.68
2005		27,555,000		25,125,205	2.29%	\$ 410.48
2004		20,375,000		18,735,119	1.95%	\$ 305.86

**Notes:**

- (1) See table 6 for property value data.
- (2) See table 17 for population data. Debt per Capita in 2013 is based on 2012 population since 2013 estimated population was not available.
- (3) The table includes the NID Bonds. The NID Act and the constitutional provision authorizing neighborhood improvement districts expressly provide a debt limitation of 10% of the issuer's then-current assessed valuation. Spradlin v. Fulton raised, but did not answer the question of whether the NID Act and constitutional authorization established a debt limit independent of other general obligation debt limitations. Accordingly, at this time, NID Bonds are computed as part of the general debt limitation.

Source: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 14**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
DECEMBER 31, 2013**

<b>Jurisdiction</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable to Saint Charles</b>	<b>Share of Debt Applicable to Saint Charles (1)</b>
Debt repaid with property taxes:			
Saint Charles County Community College	\$ 34,075,000	17.65%	\$ 6,014,238
Saint Charles School District R-VI	26,727,412	83.12%	22,215,825
Saint Charles County Ambulance District	7,835,000	17.55%	1,375,043
Francis Howell R-III School District	158,485,422	13.33%	21,126,107
Orchard Farm School District R-V	22,340,000	85.62%	19,127,508
St. Charles County (2)	4,489,000	17.55%	787,820
			<hr/> 70,646,541
City's direct debt (3)			<hr/> 71,360,000
Total direct and overlapping debt			<hr/> <hr/> \$ 142,006,541

(1) Estimates based on 2013 locally assessed real and personal property assessment for the County, College and Ambulance District.

For the other taxing districts, the ratio is based on 2011 assessed valuation due to a change in programming by the County which has not permitted the extraction of more recent reports at this time.

(2) Includes Neighborhood Improvement District Bonds paid from special assessments.

Sources: Assessed value data used to estimate applicable percentages was provided by the St. Charles County Registrar.

Outstanding debt data was provided by each governmental unit or was obtained from public records relating to such governmental unit.

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Saint Charles. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

# CITY OF SAINT CHARLES, MISSOURI

TABLE 15

## LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	City Purposes Basic Limit	Streets And Sewer Additional Limit
Assessed Valuation	\$ 1,239,362,171	\$ 1,239,362,171
Debt Limit - 10% off assessed valuation	123,936,217	123,936,217
Amount of debt applicable to debt limit	71,290,000	-
Total general obligation debt	(11,092,522)	-
Less: Amount available in debt service fund	60,197,478	-
Net bond indebtedness applicable to debt limit		
Legal debt margin	\$ 63,738,739	\$ 123,936,217

City Purposes Basic Limit	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$ 123,936,217	\$ 127,954,258	\$ 126,112,929	\$ 130,313,082	\$ 130,002,865	\$ 135,539,682	\$ 130,287,949	\$ 115,140,437	\$ 109,909,745	\$ 96,061,900
Total net debt applicable to limit	60,197,478	44,428,064	30,754,219	23,969,094	19,649,730	21,778,308	22,086,371	23,712,666	25,125,205	18,735,119
Legal Debt Margin	\$ 63,738,739	\$ 83,526,194	\$ 95,358,710	\$ 106,343,988	\$ 110,353,135	\$ 113,761,374	\$ 108,201,578	\$ 91,427,771	\$ 84,784,540	\$ 77,326,781
Total net debt applicable to the limit as a % of debt limit	48.57%	34.72%	24.39%	18.39%	15.11%	16.07%	16.95%	20.59%	22.86%	19.50%

Street and Sewer Additional Limit	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$ 123,936,217	\$ 127,954,258	\$ 126,112,929	\$ 130,313,082	\$ 130,002,865	\$ 135,539,682	\$ 130,287,949	\$ 115,140,437	\$ 109,909,745	\$ 96,061,900
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 123,936,217	\$ 127,954,258	\$ 126,112,929	\$ 130,313,082	\$ 130,002,865	\$ 135,539,682	\$ 130,287,949	\$ 115,140,437	\$ 109,909,745	\$ 96,061,900
Total net debt applicable to the limit as a % of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: The Missouri Constitution provides that in addition to the basic 10% debt limitation, the City may become indebted for an additional 10% of the assessed valuation for the purpose of acquiring rights-of-way, constructing, extending, and improving streets and avenues, and constructing, extending and improving a sanitary or storm sewer systems.

Source: Notes to the Financial Statements

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 16**

**PLEDGED-REVENUE COVERAGE  
LAST NINE FISCAL YEARS**

Fiscal Year	Special Assessment Billing	Special Assessment Bonds			
		Special Assessment Collections	Debt Service		Coverage
			Principal	Interest	
2013	\$ 3,679,871	\$ 3,374,483	\$ 735,000	\$ 1,048,500	1.89
2012	2,370,538	2,208,010	920,000	665,769	1.39
2011	1,631,094	2,084,678	575,000	703,065	1.63
2010	1,075,666	421,381	490,000	556,413	0.40
2009	1,075,666	1,095,344	465,000	413,238	1.25
2008	904,519	893,117	450,000	426,317	1.02
2007	904,519	823,738	185,000	695,475	0.94
2006	904,519	836,329	-	250,046	3.34
2005 <sup>(1)</sup>	267,515	267,515	-	-	-

(1) The first billings for special assessments began in 2005.

Source: Basic financial statements and notes to the financial statements.

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 17**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

<b>Year</b>	<b>Population<sup>(1)</sup></b>	<b>Total Personal Income<sup>(2)</sup></b>	<b>Income Per Capita</b>	<b>Unemployment Rate<sup>(3)</sup></b>	<b>School Enrollment<sup>(4)</sup></b>
2013	N/A	N/A	N/A	5.7%	5,072
2012	66,463	\$ 1,803,088,454	\$ 27,129	5.9%	5,008
2011	66,598	1,823,691,996	27,384	7.3%	5,100
2010	65,794	1,875,471,324	28,505	8.3%	5,181
2009	64,496	1,733,826,653	26,883	8.5%	5,175
2008	63,644	1,838,347,974	28,885	6.2%	5,340
2007	62,696	1,644,666,000	26,232	4.8%	5,580
2006	61,964	N/A	N/A	4.6%	5,733
2005	61,209	N/A	N/A	5.0%	5,881
2004	61,253	N/A	N/A	5.3%	5,876

(1) US Bureau of Census unofficial estimates except for 2010 which is an official census count of the US Bureau of Census.

(2) US Bureau of Census, American Community Survey, 1-year estimates, only available from 2007-2012

(3) Missouri Department of Economic Development, Missouri Economic Research and Information Center, in cooperation with the US Department of Commerce, Bureau of Economic Analysis

(4) St. Charles R-VI School Enrollment, Missouri Department of Elementary & Secondary Education

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 18**

**LARGEST EMPLOYERS  
(BASED ON FULL-TIME EMPLOYMENT)  
CURRENT AND NINE YEARS AGO  
DECEMBER 31, 2013**

	2013				2004			
	Employees	Rank	% of Total City Employment		Employees	Rank	% of Total City Employment	
Ameristar Casino (Casino Saint Charles Riverfront)	1,538	1	4.2%		1,900	2	5.0%	
Saint Charles County	1,400	2	3.8%		968	4	2.5%	
SSM Saint Joseph Health Center	1,222	3	3.4%		2,500	1	6.5%	
Boeing	1,170	4	3.2%		1,100	3	2.9%	
Saint Charles School District R-VI	881	5	2.4%		820	5	2.1%	
Lindenwood University	697	6	1.9%		686	6	1.8%	
Client Services Inc.	640	7	1.8%		-	-	-	
ATT Missouri	600	8	1.6%		-	-	-	
City of Saint Charles	580	9	1.6%		589	7	1.5%	
Central States Coca Cola	491	10	1.3%		559	8	1.5%	
LMI Aerospace	-	-	-		450	9	1.2%	
Wal-Mart Store	-	-	-		414	10	1.1%	

Source: City of St. Charles, MO Economic Development Department

Note: Percentage of Total City Employment was based on the labor force of 36,372 for December 2013 and 38,216 for December 2004. Labor force statistics are unofficial estimates from the Missouri Economic Research and Information Center.

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 19**

**FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Governmental Activities:										
General Government										
Mayor	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	2.0
Council	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administration	4.0	3.0	3.0	3.0	3.0	3.0	3.5	4.5	5.5	5.5
Human Resources	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
City Clerk	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	4.0
Legal	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	3.0
Municipal Court	6.0	6.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0
Finance	17.0	16.0	15.0	15.0	15.0	15.0	15.0	16.0	16.0	15.0
Community Development	19.0	19.0	20.0	21.0	21.0	21.0	21.0	21.0	22.0	19.0
Economic Development	3.0	3.0	3.0	3.5	3.5	4.0	2.0	2.0	2.0	2.0
Information Technology	7.0	4.0	8.0	8.5	8.5	9.0	9.5	8.5	5.5	3.5
Cemetery	1.5	2.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Engineering	16.0	17.0	16.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
CDBG	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sewer Lateral Program	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Tourism	10.0	11.0	11.0	11.0	12.0	12.0	10.0	10.0	9.0	9.0
Public Safety:										
Police	156.0	162.0	156.0	156.0	156.0	156.0	155.0	154.0	153.0	155.0
Fire	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0
Community Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Works:										
Building Maintenance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Public Improvements:										
Streets/ Stormwater	32.0	32.0	32.0	31.0	31.5	31.5	31.5	29.5	29.5	29.5
Public Parks:										
Pools/Concessions/Men. Hall/Recr.	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0
Maintenance	14.5	13.0	13.5	13.5	12.5	12.5	12.5	12.5	12.5	12.5
General Administration	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0
Security	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0
Total Governmental Activities	404.0	406.0	403.0	404.0	404.5	404.5	400.5	396.5	393.5	390.5

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 19**

**FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM (CONTINUED)  
LAST TEN FISCAL YEARS**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Business-Type Activities:										
Waterworks										
Water Administration	8.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Purification/Clarification	6.5	6.0	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Distribution	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Water Pollution Control										
Maintenance & Pumping	8.5	8.0	8.5	8.5	8.0	8.0	8.0	8.0	8.0	8.0
Water Pollution Control	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parking Facilities	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Business-Type Activities	32.0	30.0	32.0	32.0	31.5	31.5	31.5	31.5	31.5	31.5
Total Governmental and Business Activities	436.0	436.0	435.0	436.0	436.0	436.0	432.0	428.0	425.0	422.0

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).

The City has not maintained statistics on full-time equivalents

Source: City Finance department.



**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 20**

**OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Functions/Program</b>										
<b>Governmental Activities:</b>										
General Government										
Business/Liquor licenses issued	2,588	2,261	2,268	2,367	2,392	2,394	2,417	2,703	2,701	2,492
AP checks issued	13,621	12,921	13,517	17,845	17,091	16,022	14,625	14,525	12,723	13,383
Payroll checks issued	1,745	1,895	16,906	15,887	15,731	15,632	15,394	14,892	14,950	15,427
Purchase orders issued	1,327	1,316	1,258	1,294	1,223	946	997	899	830	891
Formal Bids	72	88	97	94	107	103	109	100	108	99
Public Improvements										
Permits issued for commercial construction	9	6	9	7	10	13	13	28	49	16
Value of permits commercial construction	\$ 14,938,695	\$ 28,876,361	\$ 33,475,000	\$ 4,703,536	\$ 37,442,468	\$ 29,840,375	\$ 13,856,908	\$ 222,795,880	\$ 48,103,905	\$ 53,655,490
Permits issued for residential construction	198	500	108	190	214	394	538	550	472	595
Value of permits residential construction	\$ 50,641,637	\$ 74,220,483	\$ 41,077,214	\$ 37,599,825	\$ 41,791,333	\$ 75,805,400	\$ 116,241,704	\$ 110,410,339	\$ 71,980,650	\$ 62,978,435
Public Parks										
Aquatic facilities attendance	87,719	140,966	137,678	98,989	77,611	85,871	78,011	97,553	100,135	81,940
Public Safety										
Police										
Physical arrests:										
Adult	4,378	4,409	4,422	4,724	4,520	4,299	3,670	3,726	4,881	5,058
Juvenile	56	104	396	446	512	375	408	478	548	485
Traffic Violations:										
Tickets	5,621	7,368	9,581	10,698	11,734	13,551	14,158	13,746	20,959	14,774
Accidents	1,714	1,717	1,934	1,949	1,876	1,789	1,915	1,878	2,326	2,351
Fire										
Number of calls answered	8,372	8,277	8,243	8,272	7,932	8,228	8,206	7,956	6,983	6,833
Inspections	832	662	4,833	5,323	4,495	3,121	2,575	4,690	1,140	863
Public Works										
Potholes/Depressions repaired	2,621	1,744	2,865	1,849	1,407	1,171	720	291	513	1,913
Large asphalt cut-outs/wedges	43	45	210	43	13	17	19	12	29	72
Asphalt sewer cut-outs	-	-	-	-	-	4	-	8	11	24
Asphalt water cut-outs	-	67	-	2	2	1	-	4	3	18
Street panels/Concrete slabs repaired	125	137	98	107	129	139	107	188	42	52
Sidewalk slabs repaired	203	366	396	318	491	371	302	322	525	262
Curb & gutter footage repaired	1,582	1,842	2,943	1,610	1,198	1,514	619	910	674	1,680
Miles of streets swept/cleaned	4,101	4,987	4,889	3,310	2,485	2,637	2,290	2,923	1,935	1,942
Utility Locates	8,609	7,970	6,677	7,704	7,336	8,270	9,402	8,647	*	*
Sign Installation & Maintenance										
Regulatory signs	1,868	1,038	881	921	1,153	1,321	1,334	1,295	842	842
Warning signs	321	190	129	138	145	155	183	137	85	236
Guide/Miscellaneous signs	208	610	338	621	541	53	567	518	420	268
Pedestrian crosswalk locations	6	2	-	-	-	1	-	200	33	33
Curb painting (feet)	2,752	1,172	2,063	4,590	2,525	1,030	1,375	2,147	705	1,253

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 20**

**OPERATING INDICATORS BY FUNCTION (CONTINUED)  
LAST TEN FISCAL YEARS**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Functions/Program</b>										
<b>Business-Type Activities:</b>										
Waterworks										
Number of service connections	33,791	33,206	32,486	32,373	32,275	32,087	31,267	29,894	29,364	29,160
Average daily consumption in gallons	7,098,800	7,818,600	7,629,000	7,818,300	7,401,123	7,470,992	8,236,923	7,986,145	7,883,014	7,619,266
Total gallons distributed systemwide	2,591,068,000	2,861,619,000	2,784,578,000	2,853,694,000	2,708,811,000	2,734,383,000	3,006,477,000	2,914,943,000	2,877,300,000	2,781,032,000
New water services installed	108	116	115	224	241	259	634	2,578	584	499
Water main breaks repairs	24	44	44	42	64	50	48	44	37	49
Water meters replaced	5,342	5,800	7,100	360	53	26	1,021	996	403	*
Fire hydrants replaced	7	5	9	4	1	13	18	12	5	*
Fire hydrants repaired	34	43	41	36	45	72	138	155	135	*
Fire hydrants painted	30	83	-	-	-	72	120	116	23	*
Valve maintenance	217	290	346	346	367	460	600	1,076	1,054	*
Services repaired	23	41	26	35	34	31	102	91	65	*
Meter boxes repaired	79	93	46	-	-	45	75	71	40	*
Crowns & lids replaced	-	-	-	-	-	26	98	86	99	*
Meters tested	21	35	81	61	61	36	40	40	45	*
Service orders	13,764	8,276	3,344	3,323	2,961	3,148	3,191	2,793	3,215	*
Sanitary Sewer										
Number of customers serviced	33,947	33,803	33,093	32,981	32,881	32,690	31,880	30,481	29,973	29,377
Average daily gallons of sewage treatment	5,494,000	8,236,000	9,653,000	9,068,000	10,047,000	11,400,000	9,100,000	8,170,000	9,500,000	9,300,000
Total gallons of sewage treated (approx.)	2,005,310,000	3,006,140,000	3,523,345,000	3,309,820,000	3,667,155,000	4,161,000,000	2,982,050,000	3,467,000,000	3,516,045,000	3,156,117,000

\* Information is not readily available.  
Source: Various City departments.

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 21**

**CAPITAL ASSETS STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Functions/Program</b>										
Governmental Activities:										
Public Parks										
Parks	23	23	23	23	21	20	19	19	19	19
Parks acreage	823	823	823	823	705	677	671	671	671	671
Swimming pools	3	3	3	3	3	3	3	3	3	3
Basketball courts	5	5	5	5	4	3	3	3	3	3
Tennis courts	10	10	10	10	10	10	10	10	10	10
Ball diamonds	24	24	24	24	24	24	24	24	24	24
Soccer fields	19	19	19	19	19	19	19	19	19	19
Horseshoe courts	14	14	14	16	16	16	16	16	16	16
Sand Volleyball courts	4	4	4	4	4	4	4	4	4	4
In-line hockey rink	1	1	1	1	*	*	*	*	*	*
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	83	91	84	82	85	74	72	70	70	70
Fire										
Fire stations	5	5	5	5	5	5	5	5	5	5
Public Works										
Area in square miles	24.61	24.61	24.60	24.60	24.59	24.58	24.58	24.25	24	24
Streets (miles)	270	270	250	249	248	248	233	232	232	231
Streetlights	2,265	2,259	2,175	2,115	2,107	2,057	1,977	1,910	*	*
Gas Lights	179	179	146	146	146	146	148	148	*	*
Traffic signals	45	45	43	46	40	40	37	36	*	*
Pedestrian signals	2	2	2	2	2	2	2	2	*	*
Flashing speed limit signs	24	24	22	18	18	17	17	17	*	*
Flashing beacons	3	2	4	1	1	1	2	2	*	*

**CITY OF SAINT CHARLES, MISSOURI**

**TABLE 21**

**CAPITAL ASSETS STATISTICS BY FUNCTION (CONTINUED)  
LAST TEN FISCAL YEARS**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Functions/Program</b>										
<b>Business-type Activities:</b>										
Waterworks										
Water mains (miles)	316	314	322	322	320	316	316	276	*	*
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Fire hydrants	2,266	2,558	2,558	2,558	2,517	2,472	2,396	2,304	2,298	2,290
Maximum daily capacity in gallons	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Sanitary Sewer										
Sanitary sewer (miles)	271	296	291	288	288	286	281	278	275	271
Storm sewers (miles)	173	170	165	163	160	155	153	145	142	141
Number of treatment plants	2	2	2	2	2	2	2	2	2	2
Number of lagoons	0	0	1	1	1	1	1	1	1	1
Number of lift stations	22	21	20	20	20	20	18	15	13	13
Number of vacuum stations	1	1	1	1	1	1	1	1	*	*
Maximum daily treatment capacity (in gallons)	12,800,000	12,800,000	12,800,000	12,800,000	12,800,000	12,800,000	12,800,000	12,800,000	12,800,000	12,800,000
Parking Facilities										
Number of garages	1	1	1	1	1	1	1	1	1	1
Number of parking lots - owned	17	17	17	17	17	16	16	16	*	*
Number of parking lots - leased	3	2	2	2	2	2	2	2	*	*

\* Information is not readily available.  
Source: Various City departments.